

Mr. HUMPHREY. Mr. President, I ask unanimous consent that 2 resolutions which I have received from the Louisville Farmers Union local, Red Lake Falls, Minn., favoring mandatory supports of 100 percent of parity for all farm commodities, and the development of more public power, be included in the body of the CONGRESSIONAL RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RED LAKE FALLS, MINN., March 8, 1954.

HON. HUBERT HUMPHREY,  
Senate Office Building,  
Washington, D. C.

MY DEAR SENATOR: We submit the following resolutions:

"RESOLUTION 1

"The Louisville Local, No. 36, goes on record favoring mandatory supports of 100 percent of parity for all farm commodities, based on the old parity formula.

"1. That oats, barley, flax, and rye shall be included as basics to receive the same consideration for mandatory supports of not less than 90 percent of parity, based on the old parity formula.

"2. That perishable commodities shall be supported on equal basis with nonperishable, and that these supports shall be made directly to the producer in the form of compensatory payments.

"RESOLUTION 2

"We, the Louisville Farmers Union Local, go on record favoring development of more public power; and are opposed to any legislation which will hinder the present method of distributing public power to our REA cooperatives and municipalities.

"We further resolve that under no condition should the preference clause or withdrawal clause be altered so that REA cooperatives must estimate their power needs in advance.

"We favor increased loans to REA cooperatives for transmission lines to transmit power from public power projects.

"We are opposed to the awarding of franchise to private power companies for building small dams such as was awarded to the Idaho Power Co. in Hells Canyon, as it does not develop our natural resources to their maximum, thereby depriving the people in those areas of an abundant supply of low-cost power."

LOUISVILLE FARMERS' UNION  
LOCAL, RED LAKE COUNTY,  
MRS. JOHN MAIER, Secretary.  
LESLIE FLAGE, President.

Mr. HUMPHREY. What is the answer, Mr. President? Will the administration give the Senate an opportunity to vote on this question, or must we reach Black Thursday and let the drastic blow hit our dairy industry by default? The responsibility belongs to the administration, although many of its staunchest supporters in this body are just as concerned as I am over the dangers of letting dairy prices fall so drastically on April 1. Once more, I appeal for reconsideration. Once more, I appeal for the administration to agree that it would be only fair to avert this slash in dairy supports, until some decision has been reached on an overall farm program.

Let me say, as I conclude my remarks, that our economy is going down at the rate of an increase in unemployment of approximately 500,000 a month. This is nothing to laugh off. However, this kind of cut in the income of dairy pro-

ducers can only add fuel to the flames of the recession.

I wish the Secretary of Agriculture would go to the President, or the President to the Secretary, and that they would give the Congress a few more months in which to devise a sensible program. Give us an opportunity to provide equity for our farm people. I say to the President of the United States and to his Secretary of Agriculture that if this dairy support slash is permitted to go into effect, the economic consequences will indeed be dire, and may well be disastrous. I wish to go on record in the Senate at this late hour by saying that if on April 1 this tragic economic blow falls on thousands of our dairy farmers throughout America, the economic consequences will be felt in every bank, every industry, every shop, and every factory. No one will be to blame except this administration.

I do not intend to stand idly by and see the economy of my State liquidated. I remember that upon one occasion the great Prime Minister of Great Britain, Mr. Churchill, said that he had not become the King's first minister to preside over the liquidation of the British Empire. Let me say that I did not become Minnesota's junior Senator to stand idly by in the Senate and watch the literal liquidation of a great dairy economy.

I speak here today for a State of 3 million people which is going to suffer economic troubles beyond what anyone can now foresee. I submit that this is nothing short of tragic. It is being accomplished by an edict, by an administrative order. It is being done at the will of the Executive and his Secretary. I call upon the President, who is a good man, a considerate man, to reconsider the action which has been taken by his Secretary. If the President does not know it now, his Secretary is an unpopular man in American farm areas. If the President does not realize it, let it come from one who wants to see our farm economy protected and preserved.

If this kind of policy is pursued American agriculture will be set back for years—not only agriculture, but every community and every business.

I appeal to the President as I have never appealed to any other man in public life, to take the action which is necessary to protect us and to give us time in the Congress to review the whole policy and to work with the President and the Secretary for a constructive and sensible solution to our difficulties.

Mr. SALTONSTALL. Mr. President, I should like to make one observation for the benefit of my friend from Minnesota, without entering into an argument with him on the subject. I am confident that the President of the United States, if I know him, certainly does not want to liquidate the economy of any State, but wants to do his utmost to solve the farm problem, which, as we all know, is extremely difficult.

Mr. HUMPHREY. I thank the Senator.

RECESS

Mr. SALTONSTALL. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 29 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 23, 1954, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 22 (legislative day of March 1), 1954:

COLLECTOR OF CUSTOMS

Bernhard Gettelman, of Wisconsin, to be collector of customs for customs collection district No. 37, with headquarters at Milwaukee, Wis., to fill an existing vacancy.

IN THE AIR FORCE

The following officers for appointment to the positions indicated under the provisions of sections 504 and 515, Officer Personnel Act of 1947:

Lt. Gen. Laurence Carbee Craigie, 61A (major general, Regular Air Force), United States Air Force, to be commander, Allied Air Forces, Southern Europe, with rank of lieutenant general and to be lieutenant general in the United States Air Force.

Lt. Gen. David Myron Schlatter, 62A (major general, Regular Air Force), United States Air Force, to be commandant, Armed Forces Staff College, with rank of lieutenant general and to be lieutenant general in the United States Air Force.

Maj. Gen. Thomas Sarsfield Power, 481A, Regular Air Force, to be commander, Air Research and Development Command, with rank of lieutenant general and to be lieutenant general in the United States Air Force.

Maj. Gen. Roger Maxwell Ramey, 91A, Regular Air Force, to be commander, Fifth Air Force, with rank of lieutenant general and to be lieutenant general in the United States Air Force.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 22, 1954

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Infinite and eternal God, whose divine providence is ever round about us, inspire our minds and hearts this day with faith and fortitude, with wisdom and understanding.

May this moment of prayer be a veritable moment of vision when the light of heaven shall fill our souls and dispel all fear and foreboding.

Grant that our whole life may be permeated and pervaded by a spirit which seeks to help mankind in its longings and hopes for freedom and peace.

May we give sympathy and encouragement to the brokenhearted and heavy laden who, in their sorrows and struggles, are tempted to yield to defeatism and despair.

Wilt Thou bestow peace of mind upon our wounded colleagues as they daily fight so bravely to regain health of body and to Thy name, through Christ Jesus, our Lord, we shall ascribe all the praise. Amen.

The Journal of the proceedings of Thursday, March 18, 1954, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communi-

cated to the House by Mr. Tribbe, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 10, 1954:

H. R. 711. An act for the relief of Mrs. Ruth R. Ekholm;  
H. R. 749. An act for the relief of Shue-Fook Fung;  
H. R. 788. An act for the relief of Beryl Williams;  
H. R. 823. An act for the relief of Abraham G. Sakin;  
H. R. 965. An act for the relief of Michael Demcheshen;  
H. R. 1339. An act for the relief of Dr. Soon Tai Ryang;  
H. R. 1495. An act for the relief of Louis M. Jacobs;  
H. R. 1649. An act for the relief of Mrs. Gisela Walter Sizemore;  
H. R. 2035. An act for the relief of Mrs. Micheline Borzecka;  
H. R. 2387. An act for the relief of William M. Smith;  
H. R. 2507. An act for the relief of Alfonso Gatti;  
H. R. 2622. An act for the relief of Maria Teresa Ortega Perez;  
H. R. 2623. An act for the relief of Jose M. Thomasa-Sanchez, Adela Duran Cuevas de Thomasa, and Jose Maria Thomasa Duran;  
H. R. 2774. An act for the relief of Endre Szende, Zsuzsanna Szende, Katalin Szende (a minor), and Maria Szende (a minor);  
H. R. 2817. An act for the relief of George A. Ferris;  
H. R. 3236. An act for the relief of Constantine and Lucia (Bercescu) Turcano; and  
H. R. 6130. An act to permit a first preference for former owners of certain dwellings being sold under Lanham War Housing Act.

On March 15, 1954:

H. R. 687. An act for the relief of Sister Walfreda (Anna Nelles), and Sister Amaltrudis (Gertrude Schneider);  
H. R. 824. An act for the relief of Demetrius Konstantino Papanicolaou;  
H. R. 828. An act for the relief of Dr. Vincenzo Guzzo;  
H. R. 907. An act for the relief of Wolodymyr Hirniak;  
H. R. 946. An act for the relief of Mrs. Louise Blackstone;  
H. R. 1346. An act for the relief of Zia Edin Taheri and Frances Hakimzadeh Taheri;  
H. R. 1358. An act for the relief of Dr. Marcelino J. Avelilla and Dr. Teodora A. Fidelino-Avelilla;  
H. R. 1688. An act for the relief of Henry Ty;  
H. R. 1795. An act for the relief of Helena Shostenko;  
H. R. 1883. An act for the relief of Franklin Jim;  
H. R. 2326. An act to amend the act of August 3, 1950, as amended, to continue in effect the provisions thereof relating to the authorized personnel strengths of the Armed Forces;  
H. R. 2504. An act for the relief of Sisters Adelaide Canelas and Maria Isabel Franco;  
H. R. 3005. An act for the relief of Charles Sabah;  
H. R. 3275. An act for the relief of the Bracey-Welsh Co., Inc.;  
H. R. 3455. An act for the relief of Jalal Rashtian; and  
H. R. 3749. An act for the relief of Wolde-mar Jaskowsky.

On March 16, 1954:

H. R. 5773. An act to provide for the refund, under certain conditions, of money paid as premiums on United States Government life insurance or national service life insurance which is canceled for fraud; and  
H. J. Res. 355. Joint resolution amending title V of the Agricultural Act of 1949.

On March 17, 1954:

H. R. 1967. An act for the relief of the Stebbins Construction Co.;  
H. R. 2567. An act to amend the act of July 26, 1947 (61 Stat. 493), relating to the relief of certain disbursing officers; and  
H. R. 2984. An act to prohibit reduction of any rating of total disability or permanent total disability for compensation, pension, or insurance purposes which has been in effect for 20 or more years.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 70. Concurrent resolution favoring the designation and observance of March 7 of each year as Friendship Day.

The message also announced that the Senate agrees to the amendments of the House to bills and a concurrent resolution of the Senate of the following titles:

S. 179. An act for the relief of Insun Lee;  
S. 214. An act for the relief of Geraldine B. Mathews;  
S. 1548. An act to provide for the exchange between the United States and the Commonwealth of Puerto Rico of certain lands and interests in lands in Puerto Rico;  
S. 2108. An act for the relief of Lieselotte Sommer;  
S. 2151. An act for the relief of Mrs. Ala Olejak (nee Holubowa); and  
S. Con. Res. 63. Concurrent resolution requesting churches and synagogues to give special prayers on Easter Sunday for those denied freedom to worship behind the Iron Curtain.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 3832) entitled "An act for the relief of Mrs. Orinda Josephine Quigley," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WILEY, Mr. BUTLER of Maryland, and Mr. KILGORE to be the conferees on the part of the Senate.

#### SPECIAL ORDER GRANTED

Mr. ANGELL asked and was granted permission to address the House today for 10 minutes, following the legislative business of the day and any other special orders heretofore entered.

#### WHAT IS GOOD FOR THE COUNTRY IS GOOD FOR GENERAL MOTORS

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, in the debate on the floor of the House on the Internal Revenue Act, on March 18, last, the gentleman from Georgia [Mr. LANHAM] was making an address and at one point he misquoted Mr. Wilson, Secretary of Defense, to the effect that Mr. Wilson said, "What is good for General Motors is good for the country."

At that time I asked the gentleman to yield for a correction and he refused to yield. I am getting a little tired of that constant misquotation which has been denied many times and never did occur. It is a smear type of attack, and I think it should cease.

Mr. Wilson's statement was: "What is good for the country is good for General Motors." He did not say: "What is good for General Motors is good for the country." His correct statement appeared in the November 13 issue of the U. S. News & World Report among other places.

I think that sort of misquotation should cease on the part of my good friends on the right.

The SPEAKER. The time of the gentleman from Missouri has expired.

#### A SPIRITUAL STAMP FOR CHRISTMAS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the world is triggered for self-destruction.

Unless, unless we invoke the help of our Divine Creator to control the hideous power that, once unleashed in all its fury, could ravage the face of the earth.

At this anxious time in man's history we need to pray for His guidance.

We need His redeeming love to save humanity from the disaster, final and obliterating, that it may bring upon itself.

We must find the lost road to hope and redemption that begins with Christmas, the birthday of Christ, and the symbol of faith to men of all creeds.

We in the United States are inclined to depend upon our massive material power to protect us. Yet, we are uneasy. First, we put together the A-bomb and feel secure for a while, until the Communists match us. Then we go out ahead with the H-bomb, but they catch up with us. Year by year physical power and nervous tension mount, building toward a worldwide explosion that will only result in mutual defeat and chaos, unless we turn to God.

Our Founding Fathers did, but somewhere along the way we transferred our reverence to material power that fails to bring us peace or good will.

Deep in our hearts we sense this want.

President Eisenhower began his inaugural address with a prayer, because he sensed the limitations of man in dealing with the soul-shaking problems of our times.

Up and down our land are the signs of reviving faith, as Americans realize that it will take more than nuclear energy to survive.

I believe the time has come for our Republic to assert its trust in God as opposed to atheistic communism.

A step in this direction would be the issuance of a special Christmas stamp by the United States Post Office Department to commemorate this blessed day.



A crusade for spirituality is as necessary as the crusade for freedom in combating the modern paganism that would enslave the world.

To mobilize the finest of our own resources, and to bring hope to oppressed peoples everywhere.

Even behind the Iron Curtain, where mail from the United States will bear the stamp of our belief in God, and give courage to those who look to us for something more than material help. That will appeal to the deepest longings of their hearts.

I am indebted to the Reverend Clinton W. Carvell, of the Trinitarian Congregational Church in North Andover, Mass., for this inspiring idea.

As the Reverend Carvell suggests:

Due to the fact that Phillips Brooks was the author of the famous Christmas hymn *O Little Town of Bethlehem*, it would seem to me that a stamp with his picture on it, and possibly a few notes of the music scale with the first line of the hymn, would be most fitting and proper.

Gifts and toys have their place in the celebration of Christmas. But we must never forget that the coming of the Christchild lifted humanity from despair and brought it the grace of redemption, then and now.

Tens of millions of Americans, irrespective of race or creed, hunger for this affirmation of our belief in a higher power. One that will give meaning and direction to our leadership in behalf of freedom.

A Christmas stamp honoring the brotherhood of man under the fatherhood of God will bear testimony to the eternal truths by which we must set our course.

It will be a sign of our unity and our faith for peace on earth, good will toward men.

#### PARITY FORMULA FOR MILK AND BUTTERFAT

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, on March 15 I introduced H. R. 8388, to extend support prices on dairy products at 90 percent of parity after April 1 for a period of time until the Congress of the United States can formally adopt a program to cover milk and butterfat.

It is only 10 days, until April 1, when Secretary of Agriculture Benson's program for lowering dairy supports to 75 percent goes into effect.

I wish to state that I have written to all of my colleagues on the House Committee on Agriculture urging them to give this matter their immediate attention. I hope that the committee does take action, because the economic situation in the dairy industry has become critical.

It is my understanding that no other bill has been introduced to take care of this pressing problem facing the dairy industry as of April 1. I wish to state

that I do not care if my bill or some other bill—urging the same action—is reported out by the committee, but something should be done at once.

#### SPECIAL ORDER GRANTED

Mr. PRICE asked and was given permission to address the House for 15 minutes today, following any special orders heretofore entered.

#### BRIG. GEN. PATRICK J. RYAN

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, the people of Minnesota and the 6th District are proud of Brig. Gen. Patrick J. Ryan, who has been nominated by the President to be Army Chief of Chaplains with the rank of major general.

Monsignor Ryan's record of distinguished service to his church and to his country make him a worthy candidate for this high honor. The President is to be commended on the wisdom of entrusting the spiritual care of our Army to the able leadership of this soldier-priest.

During World War II, General Ryan went to north Africa with the Third Infantry Division and became Chief Chaplain of the Fifth Army in 1943. He served with it in the campaigns in Sicily and Italy.

As testimony to his untiring devotion to the men of our Army, he wears the Legion of Merit and the Bronze Star as well as the decorations of three grateful foreign governments.

Pope Pius XII elevated him to the rank of domestic prelate in 1947 with the rank of right reverend monsignor.

Commissioned in the Regular Army in 1928, Monsignor Ryan's military service is marked by various assignments of responsibility which have given him wide experience in the spiritual ministry of the Armed Forces.

He has served as the director of plans and training in the Office of the Chief of Chaplains and has twice served as Deputy Chief of Chaplains. His previous service at Walter Reed Hospital and with our armies in the field in war and peace have given him a deep insight into the problems of our soldiers.

General Ryan was born and raised in Manannah, Minn., and completed his undergraduate education at St. Thomas College in St. Paul, Minn. He prepared for the priesthood at St. Paul Seminary and later served St. Helena's parish in Minneapolis before entering the Army.

A man of strong faith and stout courage, General Ryan will continue to give generously of his talents to strengthen the religious life of the Army and to give every man the opportunity to worship in his own faith and to have the guidance of his ministers. The great obligation of a nation rooted in Christian tradition to provide for the spiritual care of its men in arms will be faithfully discharged under his leadership.

We Minnesotans congratulate both General Ryan and the Army on this worthy appointment.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. I should like to join with the gentleman in honoring General Ryan, whom I have known for many years and who I know is very much loved in and out of the service for the fine capabilities that he has as Chief of the Chaplains. I congratulate the gentleman from Minnesota for having the honor of representing the district from which Monsignor Ryan comes.

Mr. MARSHALL. I thank the gentleman.

#### THE PANAMA CANAL AND THE PANAMA RAILROAD

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMPSON of Texas. Mr. Speaker, in 1950 the Congress had occasion to consider certain basic legislation relating to the reorganization of the Panama Canal, the Panama Railroad Company, and their respective administrations. I had the honor of serving as chairman of the subcommittee which reported that legislation to the House. The reorganization which our subcommittee recommended was approved in Public Law 841, 81st Congress.

Much concentrated work and study were devoted to the deliberations of our committee. The accounting procedures to be employed in connection with the reorganization were thoroughly examined and were, in some detail, spelled out in the legislation in a manner designed to permit conscientious executives of the reorganized agencies to carry out the basic philosophy and policy of the legislation which our subcommittee recommended.

In brief, that philosophy and policy contemplated the establishment of a business type of organization for the operation of commercial enterprises—including transits—at the canal, a business type of accounting for the canal functions, proper charges to national defense on an equitable basis, and proper segregation of each of the various enterprises in the Canal Zone. It was contemplated that the reorganized enterprise would be self-supporting, as a whole, and in each of its component parts.

A commercial audit was made by a nationally recognized firm of accountants, and for the first time in its history, the Panama Canal was appraised in the light of its primary purpose, namely, the business-like operation of a great transportation facility. The subsequent accounting system, and the application of the figures so obtained, were now used to fix the tolls charged to the users of the canal. All of this was according to the intent of the Congress when the 1950 act was passed.

It is fair to say that, as a result of the enactment of that legislation, considerable progress has been made in the areas which it was designed to cover. Certain improvements in business-type practices which have been adopted are directly attributable to the 1950 legislation. The reorganized enterprise has not only paid its own way, but has shown a considerable annual return to the Government since 1950 over and above all expenses and the annual interest and depreciation charges provided in the legislation.

Certain proposals involved in connection with the 1955 budget, however, appear to circumvent the policy of the 1950 act. These include, among other things, the budget method of allocation of general corporate charges—the net cost of civil government, interest, and general and administrative expenses—among the corporate divisions of the Company, proposals for amortization of certain charges, and a proposal of an establishment of reserves for repairs and improvements of the canal.

In the course of the 1950 legislative history, these subjects were seriously considered by our subcommittee. With respect to allocation of the net cost of civil government, we provided in that legislation that substantial weight should be given to a precise formula. With respect to amortization, we deliberately omitted this item from section 412 (b) of the 1950 bill after careful consideration. With respect to the establishment of reserves for repairs and improvements no such program as is now being proposed was contemplated in the legislation.

A basic premise of the 1950 act was that within its framework sound accounting practices would be conscientiously followed by the canal administration and related agencies to make effective the careful program which the 1950 act laid out. Proposals for departure from the express or implicit provisions of that act require further legislation, Mr. Speaker, before they can be properly adopted. Before overturning our careful work on the subject, those making such proposals should submit them to the appropriate legislative committees so that they may have as thorough and comprehensive consideration as we gave them in 1950. Certainly, the Congress is entitled to know who opposes the act, and why.

Until legislation is so considered and revised, the mandates of the 1950 act should be carefully followed by the canal administration.

#### SPECIAL ORDER GRANTED

Mr. POWELL (at the request of Mr. McCORMACK) was given permission to address the House for 15 minutes on Wednesday, March 24, following the legislative program and any special orders heretofore entered.

#### UNEMPLOYMENT

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, our Democratic friends have been telling us a lot about unemployment, bemoaning the fact that so many are out of jobs. Of course, we sympathize with them in that respect. We sympathize far more with the unemployed. But it occurs to me it might be helpful if our Democratic friends would join in the enactment of legislation which would in some degree at least prevent some of this unemployment.

The press calls attention to the fact that 100 bakers over in Baltimore are striking and that as a result 3,000 A. & P. employees are out of a job. Who really causes this unemployment we do not know. How long are we going to go along with legislation that permits a man, because he does not want to work on the terms offered, to prevent 100 or more times that number from going to their jobs—jobs which they must have if they are to make both ends meet?

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Massachusetts, one of the ablest, most industrious Members of the House.

Mr. NICHOLSON. Have we not more people employed in the United States today than we have ever had in the history of our country?

Mr. HOFFMAN of Michigan. I do not know about that, though I think the gentleman is correct in assuming we have. Maybe too many people have been coming into the country too fast, maybe too many are being born and growing up. All I know is we have this situation of unemployment, and because of it up in the Northeast some of your factories may go to the South. I hope not.

#### SEVENTIETH ANNUAL REPORT OF THE UNITED STATES CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 261)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with accompanying papers, referred to the Committee on Post Office and Civil Service and ordered to be printed:

*To the Congress of the United States:*

I am transmitting herewith the 70th Annual Report of the United States Civil Service Commission. This report covers the fiscal year ended June 30, 1953.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, March 22, 1954.

#### DISTRICT OF COLUMBIA PUBLIC WORKS ACT OF 1954

Mr. LATHAM. Mr. Speaker, I call up House Resolution 479 and ask for its immediate consideration.

#### CALL OF THE HOUSE

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 36]

|             |               |                 |
|-------------|---------------|-----------------|
| Albert      | Hand          | Osmer           |
| Battle      | Harrison, Va. | Patman          |
| Becker      | Hart          | Patten          |
| Bentley     | Heller        | Patterson       |
| Boland      | Hess          | Powell          |
| Bonin       | Hillings      | Radwan          |
| Boykin      | Hinshaw       | Reed, N. Y.     |
| Bramblett   | Holt          | Regan           |
| Brown, Ohio | Holtzman      | Richards        |
| Buckley     | Howell        | Rivers          |
| Celler      | Hunter        | Roberts         |
| Chelf       | Javits        | Rooney          |
| Chudoff     | Jensen        | Roosevelt       |
| Clardy      | Jones, Ala.   | Scott           |
| Colmer      | Judd          | Shafer          |
| Condon      | Kearney       | Shelley         |
| Corbett     | Kelley, Pa.   | Short           |
| Cotton      | Keogh         | Smith, Kans.    |
| Coudert     | Kersten, Wis. | Steed           |
| Delaney     | Klein         | Stringfellow    |
| Dingell     | Lucas         | Taylor          |
| Dodd        | Lyle          | Thornberry      |
| Dollinger   | McConnell     | Tuck            |
| Donovan     | McCulloch     | Velde           |
| Dorn, N. Y. | Martin, Ia.   | Weichel         |
| Evins       | Mason         | Wharton         |
| Fine        | Miller, N. Y. | Whitten         |
| Fino        | Morano        | Williams, N. J. |
| Graham      | Morgan        | Wilson, Ind.    |
| Granahan    | Moulder       | Winstead        |
| Green       | Neal          | Withrow         |
| Gwinn       | O'Konski      |                 |

The SPEAKER. On this rollcall 333 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### DISTRICT OF COLUMBIA PUBLIC WORKS ACT OF 1954

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8097) to authorize the financing of a program of public works construction for the District of Columbia, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the District of Columbia, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on the District of Columbia, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on the District of Columbia may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage



without intervening motion, except one motion to recommit.

Mr. LATHAM. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Virginia [Mr. SMITH] and at this time I yield myself such time as I may consume.

Mr. Speaker, this bill makes in order consideration by the House of H. R. 8097 to authorize the financing of a program of public works construction for the District of Columbia and for other purposes. It is a closed rule, waiving points of order against the bill, but amendments may be offered by direction of the committee. One motion to recommit is in order. Two hours of general debate are provided by the resolution.

In the District of Columbia it is necessary to finance a public works program—water supply, sanitary and sewage programs, as well as highway and bridge problems. In addition the fire, police, and other departments and programs must be provided with adequate funds in order to operate.

This bill will provide those funds and is in line with the request of the Commissioners of the District of Columbia. It is also in line with an expression from the Federal Bureau of the Budget. I see no need for extended discussion on the rule. I hope the resolution passes.

Mr. McMILLAN. Mr. Speaker, will the gentleman yield?

Mr. LATHAM. I yield to the gentleman from South Carolina.

Mr. McMILLAN. May I ask the gentleman, is this setting a precedent, the granting of a rule on bills for the District of Columbia? We have a special day set aside to consider District legislation. Now, is this a precedent?

Mr. LATHAM. Does the gentleman mean the closed rule?

Mr. McMILLAN. Yes.

Mr. LATHAM. This is a closed rule, which is customary with tax bills like this.

Mr. McMILLAN. We passed a bill here in 1949 of considerable importance and we did not go to the Rules Committee. We worked on that bill for 3 days and did not have a rule. Is this setting a precedent?

Mr. LATHAM. I will leave that to the gentleman.

Mr. McMILLAN. I thank the gentleman.

Mr. SMITH of Virginia. Mr. Speaker, I yield 7 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Speaker, I ask unanimous consent to speak out of order.

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I am not going to object, I think as a general practice it would be better, when we have matters such as this about which there is an urgency, that we should proceed to the consideration of the matter before us and to its enactment and reserve until that has been accomplished speeches that may be out of order. I recognize there are different conditions that prevail from time to time and I am not going to object, but no one knows what this out-of-order speech will involve. It might suggest something to someone

else to talk about and once that door is open we are off.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. I suggest to the majority leader that he be very careful about objecting on occasions of this kind, because it has not been the practice in the past. We have not objected when similar requests have been made, when we were in control. Of course, I recognize what the gentleman has in mind, and I think the matter can be adjusted. But I think one should hesitate to object too much, because it is a very sensitive situation.

Mr. PRICE. Mr. Speaker, I certainly think this matter important enough so that I should like to have a reasonable number of Members present on the floor when I make these remarks. I had anticipated making these remarks under a special order later in the day, but, realizing what the situation was and knowing that only few Members would be present at that time to hear these remarks, I asked for time at this time, because I thought this matter important enough that the membership should hear them.

#### THE LOSER HAS ALREADY BEEN THE UNITED STATES ARMY

Recent events have deepened my concern about the national security of the United States. We must of necessity place great reliance in these tense days of international cold war upon our armed services and particularly the men who lead our military forces. As every taxpayer knows, too well, we are spending huge amounts of our national wealth in maintaining giant forces in military men and machines. As investors, all the American people have a vested interest in the effectiveness of our military organization.

It seems unnecessary to remind these investors of the valiant record of our armed forces, under able leadership, in recent wars against Nazi and Fascist dictatorship in World War II and against Communist totalitarianism in the Korean war.

Recent events have indicated, however, that certain forces within the United States now seem to be making headway in doing what Nazi, Fascist, or Communist forces were unable to do—the damage to, or destruction of, the morale and fighting spirit of our Armed Forces.

Military commanders since the beginning of the unfortunate institution of warfare have recognized the vital importance of morale among fighting forces. A military force whose morale has been shattered becomes an already half-defeated force. Morale of the fighting forces is one of the most vital concerns of the leadership of the Armed Forces. Undoubtedly it takes capable and respected leadership in order to promote a high morale.

I call to your attention a report issued by a special committee of high-ranking officers of the Armed Forces last October. This committee, composed of admirals and generals of the Army, Navy, Air Force, and Marine Corps, reported that, in their own words:

Military service as a career that will attract and hold capable and ambitious personnel had deteriorated alarmingly in comparison with other fields of skilled endeavor.

This committee, under the chairmanship of Rear Adm. J. P. Womble, Jr.—and generally known in the Pentagon as the Womble committee—made a thorough study of the reasons for "the growing lack of confidence among Armed Forces personnel in military service as a worthwhile and respected career."

A number of reasons were cited for this growing lack of confidence, but in light of recent events involving the Army, the following conclusion of the committee needs recalling:

There exists an unwholesome amount of irresponsible criticism of the implementation of our national defense policies. The more vociferous of critics aim their slanderous attacks at our military leaders.

#### The committee cautions that—

The continued degradation of carrier military officers, as a class, can eventually do irreparable damage to our ability to attract and retain capable personnel. Able and conscientious men will not indefinitely continue in a profession dishonored by public criticism.

The storm of charges and counter-charges now raging in Washington over the United States Army is a national disgrace. No one can win this fight to determine who is lying and who is telling the truth except our enemies abroad. The loser has already been the United States Army.

If the Womble committee should re-survey the problem of military morale today they would undoubtedly find that morale had deteriorated even further. There should be a nonpartisan feeling of concern with what is happening to one of our greatest institutions—the United States Army—in recent months. Americans have a right to demand that the proper and responsible leaders of this country get to work quickly and clean up the new and greatest mess in Washington. We face the threat, in the midst of international tension, of serious damages to our military institutions from irresponsible forces within our own country.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this rule is for the consideration of a rather monumental tax bill for the District of Columbia, involving a great many intricate tax problems in the District.

I rise in response to the suggestion by the gentleman from South Carolina that this matter of a closed rule on this type of bill is unprecedented so far as the District of Columbia is concerned. It is not comparable, however, to the bill to which the gentleman from South Carolina refers, which was a sales-tax bill. This bill involves almost every subject of taxation in the District.

The situation is that public works in the District have in recent years, owing to lack of funds and owing to the fact that the District, unlike any other municipality in the United States, cannot borrow money in the public market as any other city can, have been forced to operate strictly on the pay-as-you-go plan. In recent years, owing to the large increase in the cost of all public works, the permanent public works of the District have deteriorated to such an extent that the situation has become alarming. For something like a year the District Commissioners, who are the governing body of the District, have been devising a plan to bring about sufficient revenue to correct these deficiencies.

A deficiency, for instance, exists in the water supply of the Capital City. It is now operating at beyond its capacity. It is absolutely essential that this deficiency be corrected. Our public institutions for child welfare, for hospital services for the indigent, are all desperately in need of additional capital facilities. So the Commissioners devised a plan of public works which substantially is set forth in this bill.

When the bill got to the House Committee on the District of Columbia it was referred to the Subcommittee on Fiscal Affairs, of which I happen to be a member. In accordance with the custom that has prevailed in fiscal affairs in the District, we had joint sessions with the Senate subcommittee on the same subject. Those hearings lasted for weeks. We put in a great deal of time on it, and we put in a great deal of study. In final conclusion of that work, this committee felt this additional burden of taxation should be spread over all fields of taxation and that is what we have provided. We have no drastic rates in any field, but we did try to spread this load as far as we could and as equitably as we could over the whole taxable population of the District of Columbia.

The reason we have come here with a closed rule is the same reason that the Committee on Ways and Means came here with a closed rule last week. Because you can take a tax bill covering many subjects and you can take one little item in it which seems inconsequential, but it throws the whole program out of gear, if it is changed. For that reason, our committee decided, as well as the subcommittee and the full committee with almost complete unanimity, although I think there were a couple of votes against the bill because of a difference of opinion relative to some minor item—we concluded that the best thing that we could do for the District, and the best thing we could do for the Congress and the country was to say to you gentleman and ladies, frankly, that we have put in a lot of time and thought and study on this bill, the District Commissioners have done the same thing, the subcommittee of the other body has done the same thing, and, therefore, we bring it to you as a package and say to you, "This is the best we can do. Let us take it or leave it because if you go to trying to cut it to pieces, you will find that some of your very vital public works

are going necessarily to be eliminated. We think this is the best we can do. We think the House, if they try to write it on the floor would not do better. We hope you will take it, but if in the wisdom of the House it is not considered a good bill, then vote it down and send it back to us and we will try again."

Mr. Speaker, I have no further requests for time, and yield back the remainder of my time.

Mr. LATHAM. Mr. Speaker, I yield as much time as he may require to the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Speaker, in my 12 years of serving as a member of the District of Columbia Committee, this is the first time for me to see a request for a closed rule on District legislation. The members of the committee voted instructions requesting the closed rule. The only thought behind it was because the public works bill is a tax raising measure.

In my 12 years as a Member of this body, Mr. Speaker, I have never seen a tax raising measure be reported to the House except under a closed rule. This has been the case regardless of which political party thought they were in power.

Chairman O'HARA, of Minnesota; Mr. TALLE, of Iowa; Mr. ALLEN, of California; Mr. GUBSER, of California; Mr. SMITH, of Virginia; Mr. HARRIS, of Arkansas; and Mr. JONES, of Missouri, of the Fiscal Affairs Subcommittee, worked long and hard with the Senate subcommittee in joint hearings. In my opinion, as chairman of the House District Committee, all of them deserve the appreciation of the House and those affected living in the District of Columbia. The public improvements are needed. They have been needed for a long time. In fact the improvements are overdue.

To me it is the duty of the House to help provide them. To me it is the duty of this body to provide them adequately. I mean by adequate, proper and sufficient Federal contribution. If it is not our duty, then Washington should be given the so-called home rule.

Article I, section 8, clause 7, of the Constitution states as follows:

To exercise exclusive legislation in all cases whatsoever, over such district (not exceeding 10 miles square), as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, and arsenals, dockyards, and other needful buildings.

This section of the Constitution which states "and other needful buildings" covers exactly what the public works bill proposes to do.

When the District of Columbia was set up, the Congress taking jurisdiction for these square miles, the framers in Congress did not and could not have realized what future Congresses and generations would be confronted with. If they could have foreseen sewers, schools, roads with automobiles, and hospitals, they might have set up the District in a different manner. They probably

would not have let the Virginia area be retroceded to her. If they had known about traffic, and Washington's future need for bridges, they would not have located the District where it is with the now impure Potomac flowing by it.

But they did do just that, Mr. Speaker. Now all any of us can do is make the best of it. This is exactly what the joint committee has done in the public works bill. No subcommittee member, or House member, likes taxes any more than those who will pay them in this instance. Everyone regrets taxes on food and other necessities. The rich and those not so fortunate need sewers, roads, hospitals, schools, and bridges.

Let us help them be obtained. I hope this rule is adopted. I hope the House passes the public works bill so badly needed. It has been approached on a nonpartisan basis. President Eisenhower requested in his budget message:

I strongly recommend enactment of legislation to finance the expanded public works construction urgently needed in the Nation's Capital.

All admit the need. The other body which does not operate on a closed rule basis can work their will. It should be done today in order that the Appropriations Committee can meet their responsibility for this coming fiscal year.

Mr. Speaker, I cannot but remind any Member, who sponsors any revenue change in the resolution, that such change must be made up in additional taxes or a greater Federal contribution.

Mr. Speaker, a good thing to remember, and a better thing to do, is work with the construction gang and not the wrecking crew.

Mr. LATHAM. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. O'HARA of Minnesota. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8097) to authorize the financing of a program of public works construction for the District of Columbia, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8097, with Mr. Gross in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself 22 minutes.

Mr. Chairman, as has been indicated by the speakers who have spoken on the rule, this is a bill which is of tremendous importance to the Nation's Capital and to the District of Columbia. About 2 years ago, the then Commissioners of the District and a group of citizens of the District became concerned over the public works of the District of Columbia. They were concerned over the question of an adequate water supply and over the sewerage system, which was badly in need of replacement. At the present



time parts of the sewerage system are 99 years old. And also we are confronted with the problem of the lack of school facilities, of proper hospital facilities, of homes for the aged and the children, and as to the general welfare program of the District.

The income of the District, which has increased on the one hand, has been met by an overwhelming increase in the matter of expenses, largely salaries of employees of the District of Columbia which have been increased; so that those in charge of the administrative duties of the District met with various citizens of the community to formulate a program. The Commissioners and citizens groups have worked for approximately 2 years in working out this program. The chairman of the District of Columbia Committee, the gentleman from Illinois [Mr. SIMPSON] introduced a bill to meet the problem of financing the needs of a public works program. Subsequently, and on four separate days, and by agreement between the fiscal affairs committees of the Senate and the House, the separate committees met and in joint session considered the problem. Let me say that at that hearing every citizen and every group in the District of Columbia was afforded an opportunity to be heard. There was a tremendous number of witnesses who appeared and testified; individuals, representatives of citizens groups, the Commissioners, members of the various business and commercial organizations in the city; and, in addition, many individuals and many groups filed statements as to their views.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. Without expressing my opinion on this particular bill, is it not the gentleman's viewpoint, which is mine at least, that one of the most challenging problems of an individual in public life is the conduct of municipal government, particularly when you get into the metropolitan areas, like the city of Washington and large cities, but even most any municipal government, because their field of taxation is very limited, confined overwhelmingly to property tax. That, with the rising costs, and essential services which have to be rendered, makes it a great responsibility and a great challenge.

Mr. O'HARA of Minnesota. I thank the gentleman. I agree with him completely. The problem in Washington, permit me to say to the gentleman, is particularly peculiar to the city of Washington. It is the Nation's Capital; yet, while other cities of metropolitan size have a tremendous taxing problem, they have an opportunity to grow and to take in additional territory. But the District of Columbia is limited by our Constitution to an area of 10 miles square. Out of that 10 miles square there can be no expansion of the District of Columbia except by changing the Constitution.

Mr. McCORMACK. And I think we have re-ceded some of that 10 square miles back.

Mr. O'HARA of Minnesota. I think that is true. But whatever there is left,

the taxable area of that which is left, is only 47.6 percent of the land area.

The United States Government owns 42.8 percent; the District of Columbia and municipal operations take in 3.5 percent, and included in the exempt classes are the exempt property of the churches and other exempt institutions. Here we have the various embassies of foreign governments which are tax exempt, and those other exempt properties amount to 6.1 percent. So that in the area of Washington there is such a limited area that we have subject to taxation only 47.6 percent of the real estate, a condition that exists in no other city in the United States or perhaps in the world.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. KEARNS. I first want to compliment the chairman of the subcommittee on the marvelous job he has done. Secondly, I would like to point out that when George Washington was first President of the United States, when he laid out the 10-mile area as our distinguished minority leader just mentioned, he put great boulders on that 10-mile boundary. But do you know that today, so I was informed by General Grant 3d, there are only 5 of those boulders we can find that laid out the original area of the District of Columbia.

With this planned program you have brought us, Mr. Chairman, you have done such a magnificent job, I think it is only reasonable that we as Members of Congress should support you and your committee on both sides of the aisle in this long-term program. I compliment the committee.

Mr. O'HARA of Minnesota. I thank the gentleman. Permit me to say these hearings of the joint committees were the most serious and earnest attempt of every member of the joint committee. I know of no group that has worked harder than the committee of the House which made up the fiscal affairs committee; and I am speaking of both sides of the aisle. They have made a great contribution to this bill and any credit is due to them rather than to myself.

Following the hearings, Mr. Chairman, the joint committees made their recommendation as to the type of bill they felt would meet the problem. Let me say that the joint committee did not agree as to the raising of the money with what had been proposed by the District Commissioners. There was no dispute that I know of, no witness who questioned the need for the overall public works program who appeared before us. I know of no one here who denies the great need for and the responsibility of providing a long-range public-works program for the city of Washington and the Nation's Capital.

The serious thing on which there is disagreement is the amount of taxes, and I want to be frank with you as to my own viewpoint in that regard.

The bill which the Commissioners brought before us was not fiscally sound in my opinion and in the opinion of every member of our subcommittees. They felt that it did not raise the money; in fact, it was short about a million dollars a year in the raising of funds that were

necessary to meet the program. So the committee found it necessary to analyze the entire financing of the program.

There are \$90 million of bonds involved in this bill authorizing the Commissioners to borrow from the Federal Government at the going rate of interest for what may be necessary for the following up of construction of highways, sewers, and waterworks programs.

But there was another provision of \$40 million which was requested by the Commissioners and recommended by them to go into the general fund. The committee felt that the money necessary to be raised could be raised by spreading out, as the gentleman from Virginia [Mr. SMITH] said, over the District generally, thereby securing enough funds to take care of the financing of this general fund without the need of a bond program. That bond proviso was stricken out.

The committee then proceeded with the problem of raising sufficient money to meet the problems of the general fund as it existed and to eliminate the raising of the \$40 million. Let me say to you that out of this program there is provided for general construction the sum of \$129,746,000, which includes storm sewers, \$46 million; schools, \$34 million; Public Health, \$14 million; Public Welfare, \$9 million; penal institutions, \$8 million; and some \$16 million covering the expansion of facilities for recreation, sanitation, libraries, and public safety.

Mr. AUCHINCLOSS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from New Jersey.

Mr. AUCHINCLOSS. The gentleman referred to some \$90 million to be borrowed by the District from the Federal Government.

Mr. O'HARA of Minnesota. That is right.

Mr. AUCHINCLOSS. That is not all to be borrowed in 1 year, is it?

Mr. O'HARA of Minnesota. No. That will be borrowed by the Commissioners as the needs of the program develop. That is, there will be heavier borrowings in certain years than in others. At the start of the program I do not presume it will be necessary to borrow the first year; but under this act, as the program develops administratively, they have the authority to borrow as needed. It allows a flexibility which I think is important, I may say to my distinguished colleague.

Mr. AUCHINCLOSS. That borrowing also comes under the purview of the Appropriations Committee, does it not?

Mr. O'HARA of Minnesota. The expenditures do. The Commissioners must come each year under this program and their program must be justified by the Appropriations Committee.

Mr. AUCHINCLOSS. In other words, the Federal Government, the Congress, still has control over that borrowing?

Mr. O'HARA of Minnesota. Exactly.

Mr. AUCHINCLOSS. I thank the gentleman.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from South Carolina.

Mr. McMILLAN. I realize the gentleman has gone over this bill extremely thoroughly. Can he give us any idea or

estimate of how much the Federal Government will advance over the 10-year period?

Mr. O'HARA of Minnesota. Will the gentleman let me proceed with my presentation briefly of the overall program?

Then I will be happy to come back to that question.

Mr. McMILLAN. Will the gentleman also advise me if anyone questioned as to how they expect to spend these funds?

Mr. O'HARA of Minnesota. Yes, there were quite a few questions asked.

Mr. McMILLAN. Is this to be spent freely all over the city?

Mr. O'HARA of Minnesota. I may say that we get a chance to look over it before they start on it.

In connection with the construction of highways the sum of \$111,908,000 is authorized for the purpose of the construction of various streets, highways, freeways and possibly bridge construction which confronts the District of Columbia. May I say to the gentleman that before that program is laid out there will have to be some review of the matter by this committee, the Committee on the District of Columbia, as well as by the Appropriations Committee.

In addition, there is a waterworks program of \$35,788,000 and a sanitary and sewage-works program of \$27,854,000.

All of these tremendous amounts of money go into things that are absolutely necessary for the operation of the District government. This bill does provide—and I am now addressing myself to the question asked by the gentleman from South Carolina—for increased water rents. It adds a sewer rent. That is chargeable in the same degree for the use of those facilities by the Federal Government or the individuals of the District.

In addition to that, let me say that this bill authorizes the increase of the Federal payment from \$11 million to \$20 million, and that is considered by the subcommittee to be a fair contribution in the overall picture considering the needs of the District and the area of land occupied by the Federal buildings. The general revenue raised by all of these various taxes involved is the sum of \$32,049,500 annually. In the general fund alone it is increased an estimated amount of \$18,288,000. We must keep in mind that the program in the 10 years means a disbursement of about \$30,530,000, annually.

Now, I do want to say that I think this is a rough outline of the problem that confronts the District and the needs of the District and the need for raising revenue.

Does my colleague the gentleman from Minnesota [Mr. WIER] desire that I yield to him?

Mr. WIER. I do. The gentleman is the last Member of this House that I like to reach a disagreement with. To what extent have you increased or added sales taxes to this bill?

Mr. O'HARA of Minnesota. Strictly speaking, as to sales tax, there has been 1 percent added to groceries; the food that is bought.

Mr. WIER. What does that make the grocery tax now?

Mr. O'HARA of Minnesota. Well, that is the first tax that has been imposed upon groceries.

Mr. WIER. Then you are adding groceries to the already taxable commodities?

Mr. O'HARA of Minnesota. That is right, except we are limiting the tax to 1 percent.

Mr. WIER. What is anticipated that that will bring in?

Mr. O'HARA of Minnesota. About \$3.5 million, as I recall, or approximately.

Mr. WIER. May I add in reply to my good colleague from Minnesota that he puts me in a bad spot here in supporting this bill. The bill comes in here under a closed rule. Formerly on this sales-tax problem here in the District there were some of us who opposed it under the open rule by amendment. The gentleman knows my position on sales tax in Minnesota. I certainly cannot go someplace else and levy a sales tax in some other part of the United States and go back home and maintain my position of being opposed to a sales tax. So, that puts me in a position now of having to vote against the bill.

Mr. O'HARA of Minnesota. I was hoping, let me say to my good friend, if it would hurt him to vote against the bill, that he would absent himself from the Chamber or something of that nature. I realize the gentleman's position, and I think we are a little gunshy up in Minnesota about a sales tax. But, nevertheless, that is the privilege of the people of Minnesota.

However, I do want to say to the gentleman that this bill means the greatest boon in unemployment, if it comes, that I can think of. To the laboring man, to the workingman, of the District of Columbia, this very program is the greatest guaranty to him for 10 years that I can think of, because we are going to have to meet unemployment, as the gentleman knows.

Mr. WIER. Let me add, that is the trap I find myself in. Of course, I have been doing all I could to encourage public works in this Nation at this time.

Mr. O'HARA of Minnesota. I think the gentleman is right.

Mr. WIER. I hate to vote against a bill that has for its purpose public works and employment. But there are other matters that are very important, too. Certainly you cannot finance a public-works bill in the United States with a sales tax.

Mr. O'HARA of Minnesota. No; the sales tax is only a small part of it.

Mr. McMILLAN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman. I want to congratulate the members of the Fiscal Affairs Subcommittee on the fine work and the hard work they did in bringing out this bill that we have before us today. I find myself in disagreement on certain points of the bill, but I do recognize that they were facing a tough problem in trying to dig up some money to carry on a public-works program in the District of Columbia. I do think they could have brought us a bill a little more simple than this one. The bill we have today is rather complicated and, in my opin-

ion, you are going to drive a lot of business away from the District of Columbia.

Mr. Chairman, I find it rather difficult to understand why the District Commissioners would recommend to the Congress legislation that would certainly chase business from the District and would reduce the District revenue rather than increase it. For example, the city of Washington for a number of years traditionally had a low tax on gasoline and, in fact, for a number of years there was no District tax on gasoline since practically every street and road in the District was paved. The Highway and Traffic Department operated successfully from the revenue collected from automobile license tags, drivers' permits, and property taxes. In 1949 I was a member of the committee that framed and enacted the present 2-cent sales tax for the District of Columbia, and at that time we were advised that by adding 1 cent per gallon on gasoline we would increase the revenue for the District of Columbia by approximately \$1 million. The very next year the revenue for the District of Columbia decreased approximately \$400,000. The District sales, since we imposed a 1-cent additional tax in 1949, have steadily declined, even though the registration of cars in the District has increased.

Throughout the Nation tax revenue from gasoline has increased during the past year from 5 percent to 6 percent while the tax revenue from gasoline in the District of Columbia has decreased approximately 1 percent. I think this is a highly questionable revenue and the same reasoning will apply to the sale of cigarettes in the District of Columbia.

The State of Virginia has no State tax on cigarettes, while here in the District of Columbia we have an 8-cent Federal tax on cigarettes and a 1-cent District tax, which makes a package of cigarettes in the District cost 1 cent more than it should in the State of Virginia. This is without the proposed 1-cent additional tax included in the bill we are now considering. I certainly feel that since it is stated that the majority of these funds will be used in erecting school buildings that the people who have moved into Washington should assist in paying for these buildings and not impose upon one or two business interests the entire cost. We have thousands of people moving into the District each year who pay no taxes other than the sales tax.

My suggestion is that we increase the present sales tax 1 cent, making a regular 3-cent sales tax in the District of Columbia.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN. I yield to my distinguished colleague.

Mr. O'HARA of Minnesota. I should like to say to the gentleman that I do not think there is anything more unpleasant, either for him or for myself or any other of our colleagues, than to have to increase taxes on any item. It is an unpleasant job all the way around. But we are confronted, as the gentleman knows, with a very difficult problem in the public works needs of the District of



Columbia. I was one of those who opposed an increase in the gasoline tax a couple of years ago and made the prophecy that it would result in diminishing returns. It did. On the other hand, we are confronted with actions of other States which are continually raising gasoline taxes to meet their highway problems.

As the gentleman from South Carolina [Mr. McMILLAN] knows, the tax on gasoline in his own State, I believe, is higher than it is in the District of Columbia.

Mr. McMILLAN. That is correct. When I came to the District some years ago, they had no District tax on gasoline. We have continuously raised it. I think it is about 5 cents now.

Mr. O'HARA of Minnesota. The gentleman recognizes that when we get to the matter of raising money we have to put on some taxes that are perhaps unpleasant, and that maybe sometime will reach the point of diminishing returns.

Mr. McMILLAN. I agree with the gentleman that there is no such thing as painless taxes.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. HAYS of Ohio. May I point out that there is a little different situation in the District with regard to diminishing returns than there would be in his State or mine. The District is completely surrounded by these other two States, and it is only a matter of minutes to get to one of them in order to avoid paying the tax if the tax here is higher than in Maryland or Virginia. Is not that true?

Mr. McMILLAN. That is true. I do not know whether this will make it any higher than it is in Virginia or Maryland.

Mr. HAYS of Ohio. Virginia does not have a sales tax, does it? It does not have a sales tax on food, does it?

Mr. McMILLAN. No. I cannot speak for Maryland or Virginia, but I do think if we added 1 penny to the sales tax we have, we could collect this money with much less difficulty.

In my State of South Carolina we have a 3-cent sales tax, with the provision that every penny be spent on school buildings. We have built some of the finest school buildings in the country with this money. I understand the majority of the funds that are to be collected are to be used in erecting school buildings. I have people from my district and I know a lot of Members here that have people from their districts coming to Washington filling up the schools, and they do not pay any tax at all other than this sales tax. These people should pay some kind of tax if they are going to continue to fill up our schools here in the District of Columbia. I know that a sales tax is not an easy tax for anyone to swallow, but I presume it is about the fairest tax we could ever enact here in Congress.

As I have stated before, I feel it is almost impossible for me to swallow this bill in its present form. I regret we had to go to the Committee on Rules and come out with a closed rule, even though

I presume we could spend several days on this tax bill if we did not have a closed rule.

I expect at the end of the debate to offer a motion to recommit the bill for further study by the Committee on the District of Columbia.

Mr. Chairman, in connection with this subject I include the following testimony and statement:

TESTIMONY BEFORE SENATE AND HOUSE DISTRICT FISCAL SUBCOMMITTEES

Mr. Chairman, my name is Charles W. L. Briscoe. I am a copartner and comanager of the firm of Speed & Briscoe. We own and operate a sizable motortruck terminal in Washington. I appear here in the interest of our firm and at the same time in the interest of the District of Columbia to oppose title 13 of H. R. 7389, now before this committee.

I am not here to debate the merits or demerits of the public works program proposed by the Commissioners of the District. As a resident of the District, I concede the need for such a program. Indeed, I take this opportunity to say that if the management and operation of the Highway Department, with which we are quite familiar, may be taken as a criterion, I know that the entire program will be well administered.

I take serious issue, however, with one of the methods proposed to help finance the program. I refer to the suggested increase in gasoline taxes. It is my studied and considered opinion that, in the light of established gasoline taxes in the States adjacent to the small area that constitutes this seat of government, the District is collecting just about the maximum it can expect from this source of revenue by leaving the local gasoline tax at 5 cents per gallon. I think I can demonstrate that, factually, this conclusion is sound.

It is well known that operating expenses of gasoline service stations in nearby Maryland and Virginia are much less than they are in the District. Consequently, if the taxes here are equalized with those of the two States, Maryland and Virginia dealers will be enabled to undersell District retailers. This fact, taken together with the greatly accelerated program of building large, modern gasoline stations outside the District, will cause local stations to suffer seriously from any price disadvantage.

Washington has, for years, been noted for its low gasoline prices. This reputation goes back to the years before 1941 when the tax here was only 2 cents per gallon. It was at that time that signs appeared on gasoline stations all over nearby Maryland and Virginia reading, "D. C. prices." This widely displayed legend became known up and down the east coast as the symbol of very low gasoline prices. The result was that in addition to large volume of out-of-State passenger-car business attracted to the District, Washington became a major fueling point for the tremendous number of trucks that pass through here carrying freight between shippers and consumers in the North and South. The rapid increase in gasoline taxes in the District since 1941 has caused this out-of-State business to diminish, but it still remains a sizable proportion of the total local gallonage. By conservative estimate, at least 20 percent of the taxable fuel gallons sold in the District goes into trucks licensed in other jurisdictions.

Now, if you please, I should like to direct your attention to the practical side of this business from over-the-road trucks. Most of these trucks have a fuel capacity of about 150 gallons and they average about 5 miles to the gallon. Virginia law requires out-of-State trucks to purchase within the Commonwealth of Virginia the amount of fuel necessary to drive through the State. This law is rigidly enforced, and, accordingly,

interstate truck traffic must stop to make fuel purchases in Virginia. To the north in New Jersey, which is only 200 miles or 40 gallons away, fuel for trucks can now be bought for 2 cents per gallon less than it can here because the fuel tax in New Jersey is only 3 cents per gallon. Now, if the trucks fill up with gas in New Jersey, where the cost to them is the lowest along the coast, and they must stop for a fuel purchase in Virginia, what incentive is there for them to stop in Washington to buy gasoline if the price here is the same as that in Virginia? Believe me, Mr. Chairman and gentlemen, these truckers are extremely cost conscious, they can figure just as well as we, and I assure you that they just won't do their buying of fuel here.

Another fact regarding price differential is worthy of note. Cost of fuel to the retailer in the whole coastal area is based on the ocean terminal price plus freight to destination. Gasoline for the Baltimore and Washington markets is delivered in waterborne tankers at Baltimore and it costs six-tenths of a cent more per gallon over the Baltimore price to deliver the fuel here. Accordingly, if the tax in the District is equal to that in Maryland, the retail price in Baltimore is bound to be at least one-half cent less and perhaps even 1 cent less per gallon than it is here. Couple this with what I have shown you about the price in New Jersey being 2 cents lower than it is in the District and the compulsory purchase of truck fuel in Virginia and then consider how Washington is going to fare with an increased gas tax.

Statistics supplied by the United States Bureau of Public Roads reveal startling facts about average fuel consumption per registered vehicle. The consumption of gasoline per registered vehicle is greater by far in the District than in any nearby State and greater by far than the national average. Based on 1952 tax returns, the Washington rate is 1,078 gallons per vehicle, compared to 876 in Virginia, 769 in Maryland, and 782 in the entire country. But the picture is changing. The figures for 1953 show a decline in District consumption while the nearby States show an increase. This trend was speeded up recently when, for a 1-year period ending in June 1953, the gasoline tax in the District equaled that in Maryland. The latest available monthly figures demonstrate that the decline in District gallonage continues despite increased automobile registrations. On the other hand, gallonage in nearby States is on the increase. Simple arithmetic establishes that if the average annual consumption of gasoline per vehicle in the District declines to that of the national average, the revenue to the District from a 6-cent tax will not equal the return in dollars from the current 5-cent tax.

Gentlemen, the gasoline-tax situation in the District of Columbia, is in delicate balance. The number of taxable gallons sold here bears a direct relationship to the tax structure here as compared to the tax structures in nearby States. The law of diminishing returns is not one that can be repealed by legislation. In a political subdivision as small as the District, it is easy to demonstrate that the flow of gasoline through the pumps of local dealers can be reduced to a trickle. There is hardly a gasoline consumer in the city who could not readily and conveniently deal in a Maryland or Virginia service station now in existence and I predict that more and larger service stations will line the District boundaries if the tax is increased just as loan companies swarm across the District lines because local operations are unprofitable. No one will gainsay that if the gasoline tax here were raised to 9 cents or 10 cents per gallon while Maryland and Virginia taxes remain unchanged there would be no fuel sales here and no tax revenue in the District coffers therefrom. Who is able to forecast at exactly what point the weight of the tax will cause a decline in

sales to the extent that the law of diminishing returns will take its inevitable toll. This much we know: Washington has earned such a reputation for low gasoline prices that consumption here per registered vehicle is greater than it is anywhere else; when a motorist or trucker stops for gas he buys tires, accessories of all kinds, food, and even other articles for personal consumption; all of this trade brings revenue into the District treasury; today's economy makes all of us cost-conscious and buying habits change to meet the drain on the pocketbook; and even while the gasoline tax in the District is 1 cent per gallon under that of nearby States, local gallonage is declining. With the firm conviction that I have analyzed the situation correctly, I say to the members of this committee that any attempt to raise the gasoline tax here and thereby equalize it with the neighboring States will prove to be extremely costly to the business people of the District, to District residents, and to the highway-fund revenue. I urge you to omit it from the pending legislation.

#### ALCOHOL TAX

Present District of Columbia tax on every wine-gallon of spirits is 75 cents. (Bill increases this tax to \$1.)

Present District of Columbia tax on every wine-gallon of alcohol is \$1.25. (Bill does not increase this tax.)

Virginia has no State tax on either spirits or alcohol.

(Present Federal tax on alcohol is \$10.50 per 100-proof gallon.)

#### CIGARETTE TAX

Present District of Columbia tax on cigarettes is 1 cent per package. (Bill increases this tax to 2 cents.)

Virginia has no State tax on cigarettes.

(Present Federal tax on cigarettes is 8 cents per package.)

#### GASOLINE TAX

Present District of Columbia tax on gasoline is 5 cents per gallon. (Bill increases this tax to 6 cents.)

Present Virginia State tax on gasoline is 6 cents per gallon.

(Present Federal tax on gasoline is 2 cents per gallon.)

District of Columbia taxes collected on gasoline during fiscal year 1952 (July 1, 1951, to June 30, 1952), when tax was 4 cents per gallon was \$8,177,703.

District of Columbia taxes collected on gasoline during fiscal year 1953 (July 1, 1952, to June 30, 1953), when tax was 5 cents per gallon was \$9,883,140.

The District of Columbia sales tax went into effect on August 1, 1949, when a 2-percent tax was imposed. (Bill adds "groceries" under tax at 1-percent rate.)

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain statements.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McMILLAN. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. CHATHAM].

Mr. CHATHAM. Mr. Chairman, I have spent about 10 years of my life in the District of Columbia, and I had a very active part in civic and municipal affairs in my home in North Carolina, the city of Winston-Salem. Since I have become a property owner in the District I have taken particular interest in looking into the fiscal affairs of the District.

Like the gentleman from South Carolina [Mr. McMILLAN], I may say there are parts of this bill with which I do not

agree, especially the increase in tobacco taxes, but all in all I want to say to you that Washington, being in this special situation, is in my opinion going backward very fast and something has to be done about it.

Washington belongs to all the people of this country. Since I have been here there has been a tremendous increase in the number of visitors throughout the year, especially in the spring, and a tremendous increase in the number of young people who come here and who see the great monuments and memorials in the Nation's Capital, and who at the same time see the terrific traffic congestion, see the slums, see the crime situation here. It becomes very plain to all of us, I think, that we are not giving the Capital City of our country a break. The unique position that the District finds itself in not being able to finance its operations, the unique position that the gentleman from South Carolina [Mr. McMILLAN] mentioned where a great number of the District's residents come from other parts of the United States and vote in other parts of the United States, and pay no taxes here except the sales tax, and send their children to schools here, is in itself proof that the District of Columbia requires unique treatment. All in all, I think the bill has many more good things in it than bad, and I expect to vote for the bill. But I hope that all of us in the future will think of things like increasing the sales tax to 3 percent because of the unique situation here, and will think of the percentage that the Government pays for the upkeep of the District which percentage has constantly gone down and down. The District is willing to tack on more taxes for the people and, of course, the regular residents are lower here in percentage than in any other place in the United States. I commend to you not only the fact that this bill will help the unemployment situation, which is only one of the side issues, but it is a good thing for the District of Columbia. I ask that all of you give more study with your splendid committee to the affairs of the District, the Capital of our country, to things like a national opera house. I have musical students coming here at times in the spring. I am ashamed to take them to the only place in Washington, Constitution Hall, used through the generosity of the DAR and which is not adequate for our Capital. There are many things that this District needs that we, as part-time citizens of the District and citizens of our country, who own this city should support. It behooves us to support this splendid committee in doing whatever they recommend and whatever we think is best for the city of Washington.

Mr. McMILLAN. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, I am wholeheartedly in favor of this public-works program. I think we need better highways in the District and better school buildings. I find myself in disagreement with the committee, however, about the way the revenue to pay for these improvements is to be obtained. About 2 weeks ago, I introduced a bill to create in the District of Columbia a

whisky monopoly for retail whisky stores. There are 16 States in the Union today with whisky retail monopoly. The Library of Congress prepared a list of those States together with the amount of money they made. In 1952, those 16 States had a gross business of \$923,871,000 on which they made a clear net profit of \$200,616,000. My State of Alabama sold \$40,564,000 worth of whisky in retail stores, and from those sales they made a net of \$11,038,000. The neighboring State of Virginia in 1952 sold \$101,274,000 worth of whisky and they made \$19,904,000 profit. The State of Pennsylvania sold over \$204 million and at a profit of over \$38 million.

I asked the Library of Congress Legislative Reference Service to tell me how much whisky was sold in the District of Columbia in 1952. In a letter dated February 24, 1954, Mr. Ernest Griffiths, the Director, said the retail sales of whisky amounted to about \$75 million in fiscal 1952. Recently, Drew Pearson said in his column that last year more whisky was drunk in the District of Columbia than milk, in gallons.

I am not a political dry nor a personal dry. I do not believe in Government monopolies except in very, very few cases, but on this question of the sale of whisky I do believe that the more that business is regulated the better.

The gentleman from South Carolina [Mr. McMILLAN] is going to offer a motion to recommit this bill for the purpose of having the committee study further ways and means of raising the revenue to finance this public-works program. I sincerely hope that that motion will prevail and that the committee will study my bill or some other bill, and raise the revenue in ways other than trying to put a tax on groceries that people must eat.

Mr. SIMPSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield.

Mr. SIMPSON of Illinois. The gentleman is making a very liquid speech. I just wondered if he submitted his program to the joint hearings before the House and Senate committees.

Mr. ANDREWS. I introduced a bill about 2 weeks ago. Before doing that I discussed with several members of the District Committee this bill and urged them to introduce it rather than myself.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I wish to say to the gentleman from Alabama that he has made a very good point regarding a tax on groceries. We could not pass a law like that in the State of New Jersey, and I shall support the motion to recommit.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield.

Mr. ALLEN of California. I listened with considerable interest to the speech which the gentleman made about 2 weeks ago, and it prompted an inquiry which I made to the taxing authorities in the District government. It was pointed out to me that while it is probable there would be a considerable profit gained from the operation of liquor stores, there



would also be involved a loss of the tax on the liquor, which we now collect; there would be a loss of revenue from property that is owned by private individuals and used for this purpose, and there would be a loss of the sales tax on the liquor involved; and there would be a loss of the income tax paid by private operators who now make a living from the sale of liquor. There has been no tabulation made of anything like an exact appraisal of the net amount involved, but the opinion expressed was that the probabilities are that we take as much or more out of the liquor business for District of Columbia revenues than if the Government operated the stores.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. McMILLAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ANDREWS. I would like to say in reply to my friend that Mr. Griffiths stated in his letter of February 24, 1954, that the tax revenues of the District from excise taxes on alcoholic beverages were \$4,009,154.68. The license fees were \$1,211,368.64. That was the revenue the District received—approximately \$5 million. But my opinion is that if \$75 million worth of whisky was sold in a year in the District of Columbia you would have in excess of what you now get about \$15 million.

If the District can operate retail liquor stores as economically as the States of Alabama, Virginia, and others which have a monopoly to operate stores, they will realize a great deal of revenue.

As to the rental property, of course, it would be necessary for the District to rent real estate to operate stores just as it is today for private individuals to rent stores. My bill provides that the employees of those stores would be selected from a civil-service register and therefore there would be no unemployment. Let me earnestly plead with you Members of Congress to think long and hard before they bypass this kind of revenue and put a tax on groceries.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to my friend from Virginia.

Mr. SMITH of Virginia. I am quite sympathetic to the gentleman's proposal, because when the 18th amendment was under consideration I proposed and offered as a substitute just the same thing the gentleman is now proposing, and I have always thought it was a good thing to do. But I want to say this to the gentleman from Alabama, that while I do feel sympathetic to it I think that to put it in this bill would be a mistake.

I will assure the gentleman that I will make every effort in the committee to see that he gets a hearing on his bill and that the subject is explored so we can see whether there would be a loss of revenue incurred by doing what the gentleman proposes.

Mr. ANDREWS. I thank the gentleman, and I say again that if we adopt a monopoly system which has worked so well in 16 States we can solve for a long time to come the revenue problems of the District of Columbia.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield 6 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, somebody said that taxes and death will be sure to get you some time. I am sure about death, but I am not so sure about taxes.

This bill is a tax-raising revenue bill, which readjusts some of the present taxes in the District of Columbia and adds some new ones.

The committee that held hearings under the able chairmanship of the gentleman from Minnesota [Mr. O'HARA], was a joint committee and the hearings were joint hearings with the other body. I want to compliment them for the good job they did. It is not a bill that pleases everyone. I would like some change, but the committee voted me down. I expressed myself in the committee. Legislation is a matter of give and take. This bill had long study. I support the measure. The bill should not be recommended as suggested by the gentleman from South Carolina [Mr. McMILLAN] or by the gentleman from Alabama [Mr. ANDREWS].

The District Commissioners are not happy with the measure. Some of the folks living in the District were not happy. Even those who wear the ecclesiastical robes—I think a couple of them took them off yesterday and put on political robes and castigated Congress because we did not do something about home rule and the slums. I submit that while I suppose ministers of the gospel can say anything they want to, it would suit me better if they would stay with the Bible and stay out of the political arena, because when they get into the political arena they are going to find themselves in some pretty fast and unfamiliar company. I presume that giving the District home rule would do away with the slums. But I know a lot of towns that have home rule and they also have slums.

There are some people who would make it unlawful to sell liquor. I submit that if you go down here on Seventh Street and look around, and you do not buy liquor you can buy smoke, canned heat, distilled this or that, or cheap gin, that probably is responsible for a lot of crime in the District. Some of you feel the liquor license may not be high enough. Some want the beer tax or property tax raised or object to the 1-percent tax on groceries, but this bill strikes a happy medium and should be adopted. In 20 years you may be putting on a 5-percent sales tax, because there are a great many people in the District of Columbia who do not pay any taxes outside of the sales tax. It may be necessary to find some additional revenue if the population trend of the city continues as it has in the last 10 or 12 years.

This bill raises taxes. For instance, in reference to sewers, let me point out to you that the needs of civilization require sewers. Do you know that some sewers in the District of Columbia are 99 years old and that they are made out of wood? We had one break a year or two ago in a park which contaminated all of a park

area, or a large portion of the park area, so that it cannot be used for picnic purposes. They city outgrew its sewers 28 years ago when it reached its peak in population trend. The population of the city has increased since then, yet the capacity of the sewers to handle sewage has not increased.

The bill increases the Federal contribution from \$11 million to \$20 million. I voted against that once, but I think now we ought to bear a larger share. I think you and I as Members of Congress should be responsible for the type of city the District of Columbia is. We ought to carry that responsibility and if we are going to do what is proper we will have to have additional funds in order to meet some of the growth.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from South Carolina.

Mr. McMILLAN. I think all the committee agrees thoroughly with the gentleman that this work is badly needed in the District and I believe, too, all of the committee is in favor of raising the Federal contribution from \$11 million to \$20 million. But there is a great deal of difference of opinion as to how this additional tax should be collected.

Mr. MILLER of Nebraska. I do not know what the gentleman has in mind, and I do not know how you would raise additional taxes. Taxes are never pleasant when you put it on property or liquor or on cigarettes, and I know the gentleman does not want any more taxes on cigarettes. The gentleman proposes to send the bill back to the committee without any further instructions. I think he is dead wrong. The committee has worked hard and earnestly. That matter was thoroughly discussed by the full Committee on the District of Columbia. If we did send it back to the committee I do not know what the committee could come out with unless the gentleman has some suggestions to make.

Mr. McMILLAN. Does not the gentleman think a 1 percent additional sales tax to the present sales tax would take care of the situation?

Mr. MILLER of Nebraska. It would help. We do not have a sales tax in Nebraska, but I think I would go along with a 3-percent sales tax. We may be forced to do so in the next 10 or 15 years.

Mr. McMILLAN. I understand that 1 additional percent would bring in around \$8 million, which is more than they are asking for in this bill.

Mr. MILLER of Nebraska. The gentleman does not want to take the tax off cigarettes, does he?

Mr. McMILLAN. Oh, yes; I certainly do.

Mr. MILLER of Nebraska. And somebody else wants us to take it off some place else. That is the reason we have a closed rule here. I doubt if the gentleman ought to do that and put the committee back into further work. It is not a bill that satisfies me entirely. I am unhappy about parts of it.

Mr. McMILLAN. Does the gentleman feel that the people of my district ought to come in and pay some of these taxes?

Mr. MILLER of Nebraska. They do pay some in the hotels when they come

to Washington. They have an extra tax to pay. We lowered the tax rate on meals to start at 50 cents instead of \$1.25.

Mr. McMILLAN. The people from my district bring a bunch of children in and put them in schools and do not pay any sales tax at all.

Mr. MILLER of Nebraska. How does the gentleman propose to raise the revenue?

Mr. McMILLAN. By a sales tax.

Mr. MILLER of Nebraska. And take it off of something else?

Mr. McMILLAN. Take it off of cigarettes and gasoline. It is not on food now.

Mr. MILLER of Nebraska. I submit to my colleagues that the committee has worked hard, and I think you ought to give them the green light and send it over to the other body and let them work on it, and when it comes back we will have something to work on. I am not happy about some of its phases. But, you cannot do it all at once. This bill is before us now, and I hope my colleagues will support it and send it along so that the District of Columbia will have some blueprints that they can work with in the next few years. The need for repairs and new public works is urgent. This bill supplies the money.

Mr. McMILLAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I am speaking with great reluctance. I have great respect and affection for the members of the District Committee. I know how hard is their task. I know how conscientiously they have worked to fulfill the responsibility placed upon them.

Mr. Chairman, I should not be speaking had I not noticed in a Washington paper yesterday that this bill, which provides a commendable program for good and needed public works, has a provision in it that puts a tax on groceries and that imposes a sales tax on people buying meals from 50 cents to \$1.25. Checking up on what I had read in the newspaper account I found from the text of the bill and the report of the committee a deplorable situation as regards the manner of raising money for the proposed good works. Under the circumstances I feel the obligation upon me, at least, to alert those Members of this body who believe as I believe that we have no moral right to place this heavy tax burden upon those least able to carry the burden.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to my beloved namesake from Minnesota.

Mr. O'HARA of Minnesota. The gentleman comes from and ably represents the great State of Illinois, along with his other colleagues. Illinois has a heavier tax on groceries than is imposed by this bill; is that not true?

Mr. O'HARA of Illinois. Washington is in a class with Chicago as a municipality. Whatever may be the fact as regards State government, no part of the vast expense of carrying on the municipal government of Chicago comes from a sales tax.

Mr. O'HARA of Minnesota. But you have for some years had a sales tax,

Mr. O'HARA of Illinois. That unfortunately is true of the State government of Illinois. Might I say to the gentleman from Minnesota that as to Chicago not one cent of the very heavy cost of schools, policing, public works, and the many other items of municipal necessity and city government comes from a sales tax on food. No person in public life would dare propose a tax of that nature. I cannot see that Washington is in any position different from that of Chicago except that in Chicago the people do have a vote and in Washington there is no way under the law by which the people can fight back. If the people of Washington could vote on the manner of raising money proposed in this bill the referendum would go against the proposal 20 to 1 at least. I do not think anyone has any doubt on that score. Very apparently that was the reason why the bill comes to us under a closed order.

Here, among other things, is what the bill does: First, adds another cent to the sales tax on cigarettes; second, imposes a 1-percent sales tax on groceries, which tax is expected to raise \$3.5 million annually; third, taxes meals in the 50 cents to \$1.25 bracket, which is certainly getting down where the pain of taxation is the hardest to bear; and, fourth, increases the tax on a transient's bed hire.

The public-works program should be carried forward, but the burden should not be placed on the worker's basket of groceries and the citizen trying to make both ends meet by budgeting on 50-cent dinners. There are at least three proper sources for raising the necessary revenues.

Mr. O'HARA of Minnesota. Would the gentleman yield on the question as to whether you do not also have a sales tax in the city of Chicago on all sales? I do not recall that there are any exemptions.

Mr. O'HARA of Illinois. A State sales tax, yes.

Mr. O'HARA of Minnesota. That is what I am speaking of. This is the equivalent, the gentleman appreciates, of State action in this regard.

Mr. O'HARA of Illinois. I appreciate that the District of Columbia stands theoretically on the level of a State. But actually the District of Columbia is Washington, which is not a State like Illinois but a city like Chicago. I am making the point that cities find other sources for their revenues than taxing baskets of groceries and 50-cent meals. Certainly Washington is a city and I for one take pride in referring to my colleague from Illinois [Mr. SIMPSON] who is the chairman of the District Committee as the Mayor of Washington, and to my distinguished colleague and namesake from Minnesota [Mr. O'HARA] as the associate mayor of Washington. I do not think this attempt to put a sales tax on groceries on the people of Washington would even be considered if the people of Washington had a vote.

Mr. BROOKS of Louisiana. Mr. Chairman, would the gentleman yield to me?

Mr. O'HARA of Illinois. I yield to the gentleman, of course.

Mr. BROOKS of Louisiana. I share with the distinguished gentleman from Illinois [Mr. O'HARA] the admiration he

holds for the membership of the District Committee. What is going through my mind, the thing that concerns me, is this: In the last 2 weeks we voted tax reductions in two major bills before this Congress. We told our people back home that we are reducing taxes now levied upon them.

Now comes the poor, little District of Columbia, with no representation here in this body at all, and we reverse our field quickly and we levy 12 or 15 new types of taxes on these people.

What concerns me is this: How can I harmonize my action in reducing taxes in two major bills before this Congress within the last 2 weeks with reversing my field and levying taxes on the people in the District?

Mr. O'HARA of Illinois. Of course, this is a result of the administration taking advantage of the people in the District, because they have no vote.

Mr. ROBSION of Kentucky. Mr. Chairman, would the gentleman yield to me?

Mr. O'HARA of Illinois. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Reference was just made to the poor, little District of Columbia. Is it not true that they have the finest streets, the finest parks, the finest street lights, the finest sewers, of any place in the country, and pay considerably less taxes than they do in my town?

Mr. O'HARA of Illinois. I can only say that next to Chicago, Washington is the finest city in the Nation. I don't believe, however, that we add to the moral climate by sparing the big taxpayer at the expense of the little fellow's basket of groceries and 50-cent meals.

The CHAIRMAN. The time of the gentleman has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Chairman, first I want to add my word of commendation for the splendid work performed by the chairman of the committee and the committee which worked on this bill. It is also encouraging for me to hear some of the remarks made by the gentleman from North Carolina who spoke a few moments ago and some of the others concerning the responsibility of the Federal Government.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Iowa.

Mr. TALLE. I think that the recent reference made to the tax bills passed last week and the week prior to that should not go unanswered. The reduction in taxes made on the 1st of January 1954, having to do with income taxes on individuals, applies to all of the people in the city of Washington as it does to the Nation. Likewise, the excess profits tax which was allowed to lapse on January 1, 1954, applies to the people in the city of Washington just as it does to all other people of our Nation.

Insofar as the bill to cut taxes, the reduction in excises, is concerned, most certainly that reduction will apply also to all of the people in Washington. The same is true of the tax revision bill



which was passed last week. The bill before us now deals with the peculiar problems of the District of Columbia and the city of Washington. The Federal City like other cities has its problems, and the proposed increases should be considered in that light.

We are sitting here as a group of aldermen to act on the problems peculiar to the city of Washington and since we are legislating on a Federal basis for the Federal Capital, these peculiar problems should be considered on their merits and should not be confused with taxation as it applies to the entire Nation. I thank the gentleman for yielding to me.

Mr. HYDE. I thank the gentleman from Iowa [Mr. TALLE] for his contribution.

Mr. Chairman, I want to address myself to this matter of the Federal Government's contribution toward the maintenance and upkeep of the District of Columbia. The Federal Government is responsible for the location and the creation of the District of Columbia. Therefore, it follows that the District of Columbia is the Federal Government's responsibility. All of us know this, but many of us are not always aware of it. Washington is not a city established by individual citizens who subsequently reaped the benefit of having the Government located within its boundaries. There would be no city here if the people of the Nation had not put it here. As a result, the only industry here is that of Government and such service industries as are necessary for the life of the city.

I emphasize these facts, Mr. Chairman, because we have been hearing it said that the local citizens expect too much from the Government, that they ought to take care of their own city. The people here are ready, willing, and able to do their part. They can and should be and are willing to pay taxes commensurate with those paid in other cities throughout the United States. By the same token, the industry, namely, the Federal Government, which brought the people here, should bear its fair share of the burden just as industries do in other cities.

In the past perhaps the local city fathers have not done as much as they should in carrying out their responsibilities to the Nation in maintaining and preserving the Nation's Capital. It is also true that in many respects the people of the Nation, through their elected representatives here, have neglected their Capital City. This bill is a step toward the rehabilitation of the Nation's Capital which is long overdue. It seems to me that no responsible Member of Congress will deny that. We do not suggest it as perfect. For myself, I feel that the Federal Government should bear more of the financial responsibility than is provided. However, in view of the hard work and the strenuous effort put forth by the committee, I think the committee has come up with a fairly good bill, and I urge the Members to support it.

Mr. McMILLAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I would like to address myself for a moment or two to the closing remarks of my good friend the gentleman from Nebraska [Mr. MILLER]. He said, "Let us go ahead and pass this bill and send it over to the Senate. Let them work on it over there, and then when we get it back perhaps we will have something we can do something with," or words to that effect. That seems to me to be a complete abdication of our responsibilities. Of course, when a bill goes over to the other body it is not going to come up over there under a gag rule; it is going to come up there so that any Member of that body can offer any amendment that he sees fit to. But here, and, of course, I admit to a degree that the bill has many commendable features, although it also has some very objectionable features, we are asked either to take it or leave it, without a chance to do anything about eliminating the objectionable parts.

I submit to you that the sales tax on food is one of the most vicious forms of taxation that you can devise. Any tax expert or anyone who has studied taxes will say if you have to impose a sales tax exempt the family market basket from it.

We have had a good deal of experience with the sales tax in the State of Ohio. It brings in a considerable portion of our revenues for the political subdivisions and for schools. When that tax was first imposed in Ohio many years ago along at the beginning of the depression in the early thirties it was a general 3-percent sales tax. Over the years experience taught us that we would have a better tax structure if we would eliminate food from taxation and that was done. Also we eliminated the tax on all articles under 40 cents, because we found that the cost of collection was not commensurate with the return. They found that the sales tax has yielded more revenue with less struggle when some of those items were exempted.

Personally, I do not like the sales tax at all, if we can get away from it in any way shape or form. But, if I had to choose between the two, I certainly would go along with the gentleman from South Carolina [Mr. McMILLAN] and say it would be better to have a general 1-percent increase and leave food exempt from the sales tax. Certainly, you cannot say if you do that that everyone is not paying some tax in the District of Columbia because, if you leave the food out, there are still many items that are taxable which every family has to buy. I do not advocate that, but if I had to choose between the two, either having a tax on groceries or raising the present 2 percent tax to 3 percent, I certainly would go along with the latter. I would like to vote for this bill. I think the public works program here is long overdue, but you are asking some of us to vote for public works and at the same time tacking on this reprehensible tax on food. I might also say a word of commendation for the speech of my colleague, the gentleman from Alabama. I do not think there is a place in the United States where the liquor dealer gets as much profit as he does in Wash-

ington, D. C. I do not think there is a place in the United States that has as many liquor stores per capita as we do in Washington, D. C. Do not tell me that those fellows are not making a profit because if they were not, they would not be in the business. We have a monopoly in Ohio. We did not give up any of the taxes on liquor. We just left the tax on, the stamp tax and everything else, and in addition last year the State cleared \$25 million. I think the proportionate profit in Washington on these so-called independent liquor stores that are on every corner and sometimes 2 or 3 to a block would be commensurate to the profit that the State made, if not more. In addition, under the system that we have in Ohio, where everyone who purchases has to sign an application, you have some little check on the winos and so on, who are the cause in large part, if you read the Post last week, of the tremendous problem of crime in the second precinct.

Mr. McMILLAN. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, as has been indicated, this is a very complicated bill. It involves a great many subjects of taxation. I have listened with interest and some sympathy to those who have spoken in opposition to the bill on the grounds that we have imposed a 1-cent sales tax on groceries. Well, to begin with there are 32 States in the Union that have sales taxes, and out of those only 9 States exempt foods. So that two-thirds of the States do not agree with those who oppose a tax on foods. It was proposed that the tax on food be the same as the tax on other things, namely, 2 percent. The committee thought that was too high and fixed 1 percent and balanced their budget off so that we would raise sufficient money for the purposes set forth in the bill. Let us see what that 1 percent tax does. Of course, I can sympathize with these gentlemen who are worried about taxing the poor. I do not like to tax anybody. But let us just see what this bill does. We have not talked about some of the other things that this bill does. The worst tax on the small-income family—one of the worst taxes we have here in the District of Columbia is the tax on the little bit of personal property that the people have. The tax on the bed that the taxpayer sleeps in and the tax on the kitchen stove that he cooks his meals on. This committee in this bill takes away that tax. We repealed the personal property tax. You say this is a tax on the poor man. We have an income tax in the District of Columbia, and do you know that that income tax exempts everybody up to an income of \$4,000?

I do not know of any other place that has such a high exemption on the income tax, in behalf of the low-income groups as the District of Columbia. We might have reduced that, but we did not do that. But what do we do with the high-bracket fellow on the income tax? We put an additional 1 percent on him all the way through, and that raises a lot of money. But we did not do anything with the man with the

low income. As I said, we have tried to divide this tax equitably over everybody.

With reference to this 1-percent tax on food, a man goes into a grocery store and he buys \$10 worth of groceries. Do you know how much tax he must pay? Just 10 cents. Is there anybody so poor in this rich country that he does not want to even pay 10 cents for the support of this Government that does so much for him? I do not think much of that argument.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Arkansas.

Mr. HARRIS. Something has been said about giving consideration to the recommendation of the people of the District of Columbia with reference to increased taxes. That is, the manner in which we might raise the money with which to support this public-works program. Is it not true that the people of the District, individuals and organizations and federations who came before the committee, opposed the increase in the sales tax generally, more so than any other type of tax increase on the people?

Mr. SMITH of Virginia. Yes. They did not want the 3-percent tax. But I think the chairman of the subcommittee has covered that situation when he said everybody wanted all of these improvements, but everybody said, "Don't tax me. Tax the other fellow." That is the situation you find in almost every tax bill. But I say to you that the chairman of your subcommittee, the gentleman from Minnesota [Mr. O'HARA] has put in a tremendous amount of time, effort, and sympathetic consideration for all of these groups who have come in for or against some particular form of tax. I think he is entitled to the thanks of this Congress. I think he is entitled to the confidence of this Congress in what he has brought here. How he has been able to spare as much of his time with the busy duties he has is hard for me to understand. I have heard gentlemen get up here and say they had an affection and a respect for the committee, but I never heard anybody say they had any sympathy for the committee. That is what we need—sympathy. We have had a difficult problem and we have come here with the best we could do. We ask not only for your respect but for your sympathy and your support in this bill, which we think is the best that can be done to spread this tax burden equally and equitably over the various groups of people.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I would like to assure the distinguished gentleman from Virginia [Mr. SMITH], who just preceded me, that he does have my support and my sympathy in dealing with this problem. I want to pay tribute to the members of the committee for their efforts in dealing with a difficult situation. I am sure, as others have said, they have worked diligently in their efforts in arriving at a compromise with regard to this legislation.

I would like to point out 2 or 3 matters that I think deserve the attention of the Members of the body. One is the amount of the contribution to the District of Columbia from the Federal Treasury. I mean the amount contributed by the taxpayers of all of the districts and States throughout the country. This contribution has been increased several times in the past few years. Last year it was \$11 million. I am informed this committee is approving a contribution of \$20 million against the Federal Treasury for the District of Columbia. This is an increase of \$9 million above the present contribution.

Now let us see what you have done in this bill. You have provided a rate of tax on real estate of 2.20 percent on the assessed valuation of such property. The present rate is 2.15 percent. You have raised it only 5 cents. Even this 5 cents raises \$500,000. If you had raised it to 2.50 percent you would collect \$4½ million and you would still have a low rate on real-estate taxes because, you must recall, there is only one tax rate against real estate in the District of Columbia. It compares with the total amount of taxes in your township, school district, city, and county. I do not believe you will find a city in the United States where taxes are as low on the valuation of property as they are in Washington, D. C., even though it is claimed that taxes are levied on what they call the full market value of the property. What we really need in the District of Columbia is a revaluation of our real estate to make sure it is being appraised at nearly its actual value.

Let us look at another thing and that is the tax on liquor in Washington where, incidentally, more liquor is consumed per capita than any other city in the United States of comparative size. I think you should have increased the taxes on liquor at least 30 percent, which would have produced \$8 million. Liquor is certainly a luxury if there ever was one.

Do you know that income taxes are lower in the District of Columbia than they are in any State where income taxes are collected. The tax exemption for a family in the District is almost nil on salaries of four or five thousand dollars or less. If you would increase the income tax on a par with the income-tax rate in any State, you would raise millions of dollars.

I have heard complaints about this 1-cent sales tax. In our State it is twice that amount and I find in most States such is the case.

In my judgment the committee has been more than generous in respect to this legislation.

There is one more thing that might be discussed and that is you are relieving everybody in the District from paying taxes on their household goods and furnishings no matter how expensive they are. People occupying fine homes in the city of Washington, homes with expensive furnishings and furniture, are not required to pay any taxes on hundreds of thousands of dollars worth of such property. The least you could have done in respect to this item is to have exempted furniture and furnishings up to \$1,000

or less, but not relieve owners of expensive household equipment from tax when people in your State and mine are required to pay such taxes.

I would not be misunderstood. All I am asking is that people in the District of Columbia pay their fair share of the cost of Government and not any more.

Mr. McMILLAN. Mr. Chairman, I yield 13 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I can appreciate the sentiment that has been expressed in this committee this afternoon. It demonstrates in a small way the problem your Fiscal Affairs Subcommittee of the Committee on the District of Columbia has had over the past several weeks. We have heard viewpoints from this and that one, how they recognize the need for this program, how they realize that the people of the District of Columbia must have a public-works program, but they are not at all pleased with the method or the manner by which we are going to raise the money for it. I am certainly sympathetic with that attitude because I am not altogether satisfied with everything that is in this bill. I do not suppose there is a member of this committee each of whom has worked so hard on the program for the District who is a hundred percent satisfied with it.

We held hearings for days, we tried to get the viewpoint of all interested parties, individuals, and organizations of the District of Columbia and the officials. We have tried to bring about a program upon which the members of this committee and the Senate committee could finally come to agreement. It was a joint House-Senate committee study and we have presented, as the gentleman from Virginia [Mr. SMITH], said a moment ago, the best program we could under the circumstances.

As an example, I was sympathetic to the Commissioners' request to the Congress to include an additional authorization of \$40 million for loans to provide these capital improvements. I think that was a fair approach to some of the needs when you consider that these improvements are going to be utilized over a period of years, 20 or 30; then why not as they do in so many other places, use that method? But the committee thought, because of the unique circumstances, as has been explained, here in the District of Columbia, that it would not use that method. Consequently, that request made by the Commissioners was not observed. That is just one example.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Iowa.

Mr. TALLE. I want to pay my compliments to the gentleman from Arkansas. He has worked very diligently on this bill as he does on all bills he works on. I am glad the gentleman mentioned that this bill is the result of a joint study. When the hearings were held gentlemen of the other body met with gentlemen from this body in joint hearings, and this bill represents, therefore, the united opinion of the gentlemen of the Senate District Committee and the gentlemen of the House District Committee.



I am glad the gentleman mentioned that fact and I should like to emphasize to all Members that we are presenting the same bill to the House that will be presented to the other body.

Mr. HARRIS. I thank the gentleman. The reason I mention it is to emphasize the fact that this is a program growing out of many days of consideration and a world of effort by the committee of this body and the other body in order that we might in this way, in our deliberations and in our study, come up with something that there might be as nearly unanimity of thinking toward the program as could be possible between the two groups.

Something has been said about what the other body will do. This is our responsibility over here; however, it was recognized that it had to be considered by the other body, so in our deliberations we did try to come up with something that we could agree on and that would be the most effective way to solve a very difficult problem.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from South Carolina.

Mr. McMILLAN. I want to join with the gentleman from Iowa in congratulating the gentleman now addressing the committee and the other members for the diligent work done on this bill. But the gentleman did not expect a group of people who came here with children for the schools to appear before the committee and advocate an increase in the sales tax?

Mr. HARRIS. We had people appear in the hearings suggesting that taxes be obtained for these purposes by additional sales tax, by an additional tax this way or that. We had a great many proposals as to various methods of raising taxes. We had all of these proposals before us for consideration. Finally one day I told the distinguished chairman of the committee who has done such an outstanding job, the gentleman from Minnesota [Mr. O'HARA], that about the best way to get everybody mad at us is to put a little tax on everybody and spread it all over the field. I had no idea at that time that it would be the final result. But that is simply what we have done. Consequently we have brought you a bill that as I repeat I do not like in all particulars but is the best we could do and I feel I am justified in asking the members of the committee and the Members of the House to support us in our effort.

Mr. Chairman, some 2 years or more ago a citizens committee of the District of Columbia was appointed to make a study and report to the District Commissioners a program so vitally needed for the District of Columbia. Did you know that in this fiscal year there is not one penny provided for capital improvements of your schools of the District of Columbia? Did you know that the reason for that is because there is no money available to appropriate for that purpose? If I remember correctly, the record reflects that there is a shortage of 13,000 school rooms in the District of Columbia.

This citizens committee made a study and it made a report. It reported a 6-

year program. The Commissioners took that report and studied it and they came up with an 8-year program, and as this program has progressed, we finally bring it to you in a 10-year plan to provide adequate water facilities, sewers, public health, highways, parks, schools, hospitals, all of the things that are absolutely necessary to the life of a community. Now, after all of these years, after these many diversified opinions, and after deliberation and bringing together those opinions and coming up with a specific program at this point, can we afford then, in view of the imperative need, to send it back to the committee and say "Go do this over and come up with another plan providing for tax"?

Why, even the Washington Post now is for this legislation; that is, they think that under the circumstances it ought to be passed, because they know it is needed. It is imperative for the District of Columbia that we do something for it, and it is the responsibility of this Congress to do something to take care of these needs. I am not happy about imposing taxes; no. No Member is. My colleague from Louisiana a moment ago wanted to know how we justified the action last week with the action here. There is not a major city in any State in these United States that is not doing something about increasing the responsibility on its citizenship to provide that city with the needed improvements to take care of the health and welfare and the education of the people of that community. That is the reason I have justified this.

Why, here in the District of Columbia they think that the increased Federal share should be as much as 25 percent, as an example, of a \$120 million budget. There are those as you heard a moment ago who asked, "Why should we increase the Federal share at all?" We have got these extreme viewpoints. Well, what we have done is this, we have increased the taxes on the people of the District and then increased the Federal share in order to try to equalize it and provide for this needed program. We have tried our best to give to you something that you could take, at least go along with at this time under the circumstances.

But, here is what we did, too. One that has concerned me, and that is about how this additional revenue was going to be utilized. I wanted to be sure that if the taxes were going to be increased on the people of the District, the money would be utilized for the purposes the taxes were levied. So, the bill, as was modified and introduced as a clean bill, contained a provision that any Federal share above \$15.5 million would have to be spent on capital improvements and matched by a similar amount from taxation on the District of Columbia. I am referring to the general fund. The committee adopted a motion which I offered to reduce that amount to \$12.5 million. We are now providing \$12 million Federal share, and this bill says now that all over \$12.5 million of Federal share must be spent for capital improvements with at least an equal sum from taxes from the District of Columbia. That is what we have done in an effort to be sure that these improvements

so vitally needed would be provided for the people not only of the District but of the United States.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from North Carolina.

Mr. BONNER. I understand on page 38 of the bill that you are going to double the cigarette tax.

Mr. HARRIS. The cigarette tax in the District of Columbia is now 1 cent, and this makes it 2 cents.

Mr. BONNER. You are going to double it?

Mr. HARRIS. Yes.

Mr. BONNER. Then I understand you are going to put a tax on groceries that the ordinary man buys at the grocery store.

Mr. HARRIS. It was decided to include the groceries.

Mr. BONNER. If the gentleman will just answer the question.

Mr. HARRIS. If the gentleman will permit me, I shall answer the question.

Mr. BONNER. It is a fair question.

Mr. HARRIS. It is, and I will be glad to answer it.

Mr. BONNER. Groceries that workmen buy to take home for their little children.

Mr. HARRIS. The committee decided to include groceries under a 1-percent sales tax.

Mr. BONNER. So the gentleman is going to put a tax right on the food for little babies. The committee could not think of anybody in the District of Columbia, with all the wealth that is here, whom they could tax, but had to resort to a tax on the food that goes in little babies' mouths.

Mr. HARRIS. The gentleman from North Carolina [Mr. BONNER] has made a very appropriate and acceptable statement. He comes to us and tries to put a statement in the Record that would prejudice what the committee has tried to do. Of course, neither I nor any other member of the committee wants to impose any tax on little babies in the District of Columbia. Perhaps the gentleman does not know that out of 32 States in the United States which have the sales taxes 22 of them have full sales taxes on groceries.

Mr. BONNER. Apparently I have mentioned an item in this bill that is not so pleasing—

Mr. HARRIS. We took that into consideration, as we did all other matters.

Mr. BONNER. I do not care how many States have such a sales tax. I do not want to see it carried any further.

Mr. HARRIS. The gentleman has his own viewpoint, and all I am trying to do is to explain that we have done the best we could.

Mr. BONNER. A year or so ago the Congress removed certain taxes in the District that were imposed on those amply able to pay.

The CHAIRMAN. The time of the gentleman has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield 5 minutes to the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON].

Mrs. FRANCES P. BOLTON. Mr. Chairman, I had not expected to speak

on this bill, but I find myself constrained to do so as I have been a taxpayer in the District and the owner of real estate since 1928, as well as during 2 years of World War I.

Those of us who take on the responsibility of citizenship in the District, if we may call it that when there we have no vote are quite ready to carry a certain part of the expense of making improvements in the city. One thing that troubles me mightily is that we, the Congress, have let the city run down. I am thinking of the description given by our esteemed colleague from Nebraska, Dr. MILLER, of wooden sewers that have burst, contaminating whole areas used for picnicking purposes, and so forth. That is a great tragedy for which we must assume blame.

Further also do I want to emphasize what our distinguished colleague, the gentleman from Virginia [Mr. SMITH] put so exceedingly well; that is, to spread the responsibility as broadly as possible for the payment of those expenses which, when made, will mean that the city of Washington, the Capital of our country, will be worthy of that name. It seems to me that this is very important.

I wonder if hospitals are in this bill, for I shall never forget my sense of shame when, years ago, I went to see a patient at the then Gallinger Hospital, a patient in a psychiatric ward. I found that they had only one set of sheets and pillowcases. They had one thermometer. They had one hot-water bag that worked. They had two doctors, only one of whom was on duty because the other one had to spend most of his time in the courts. The one on duty was a little bit of a woman, such a tiny woman. There was practically no therapeutic care of patients possible because the building was so antiquated. It had not been built for psychiatric patients and patients could not be carried down the stairs to the treatment rooms in the basement. If that had been possible the cabinets and tubs for quieting treatments could not be used if it were raining, because of the possibility of short-circuiting everything and so electrocuting the patient, so great was the leakage.

I am happy to say that a very up-and-coming superintendent of nurses remedied the sheet shortage by getting church societies to make the sheets, the material being supplied.

I hope this is not outside the present bill.

Mr. SMITH of Virginia. Mr. Chairman, will the gentlewoman yield?

Mrs. FRANCES P. BOLTON. I yield gladly.

Mr. SMITH of Virginia. I think perhaps I can correct the gentlewoman because we do have in here \$14 million for hospitals and public health.

Mrs. FRANCES P. BOLTON. I am glad it really is in the bill so that I am not speaking out of order.

Mr. SMITH of Virginia. It is one of the most vital things in the bill.

Mrs. FRANCES P. BOLTON. It is one of the most vital things in the District.

I am sure we are agreed that there is a serious problem in our hospitalization and a serious problem in sanitation here in the District. We are not keep-

ing ourselves in order. Just from a woman's standpoint I would like to see some good housekeeping put into effect here in the District. I cannot tell you, Mr. Chairman and members of the subcommittee and the committee, how deeply grateful I am as a woman and as taxpaying resident of this community that you have gone so deeply into the details, that you have studied the matter so carefully, and that you bring to us a bill which we can vote for with confidence and with courage. I trust that this bill will be passed immediately.

Mr. McMILLAN. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I want to speak just for a minute or two on the motion to recommit, and to tell you why I think that motion should not be adopted. I am going to make a statement here which might seem inconsistent. I support the theory that prompts the motion to recommit. However, after sitting with the committee and helping work out the details of this bill, I found that I was in a minority because I would have made the sales tax even more than it is under this bill, for I feel that is the only way we can bring more people into paying their proportionate share of the cost of government in the District of Columbia. So those people who may have had their minds made up to support a motion to recommit because they oppose the feature in the bill which they said was placing a tax on food are not going to accomplish their purpose. If you send this bill back to the committee without any definite instructions, but merely ask the committee to study the situation some more, you are not necessarily going to bring about a reduction in sales tax; it might even be more.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from New Jersey.

Mr. CANFIELD. However, is there not a big principle involved here? Will this not be the first time the Congress has ever laid a tax on groceries taken home for consumption?

Mr. JONES of Missouri. It may be the first time the Congress has voted a tax of that kind, but I would say that a majority of the Members of the Congress come from States which do tax the groceries. I think you can support this bill and still be in full agreement with the legislation in a majority of the States.

I want to reemphasize what the gentleman from Virginia [Mr. SMITH] said a moment ago: This bill in my opinion has given relief to the people in the low-income brackets because we are taking off the personal property tax, and the personal income tax does not start until the income exceeds \$4,000. So I think we have been rather lenient there. Of course, the committee has not done what the Commissioners would have had us do. They would like to see a larger Federal contribution. On the other hand, I am a minority on the committee again, and I feel that we have possibly made this Federal contribution more than it should be. Those people who talk about

home rule here in the District of Columbia, I am sure if the people here in the District had an opportunity to vote, they would vote for a still larger Federal contribution. But that does not make it right. I feel that we should have a higher real-estate tax here in the District, but again I was in the minority on the committee, but despite all the times that I have been in the minority, I realize the difficulty of bringing a bill here and I do feel that under the chairmanship of the able gentleman from Minnesota on this subcommittee, I think he and the other members of the committee, Judge SMITH, and Mr. HARRIS, of Arkansas, and others on the subcommittee have brought to you a reasonable bill, a fair bill, and a bill that does not raise excessive taxes. Still we are insisting that this money be spent properly. I think that is to be taken into account. In closing, I do want to say that if you are voting to recommit this bill because you are opposed to putting on a tax on food or because of further study, I would still say the gentleman who is going to make the motion to recommit has told you honestly and frankly he feels the sales tax should be larger. I agree with him on that, but at the same time I feel we have a good bill here and one that should be passed. The motion to recommit should be defeated.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. McMILLAN. The gentleman knows that I was not in favor of increasing the present sales tax to include food. I would also like to ask the gentleman if he thinks that increasing the tax on gasoline and cigarettes will enable the District government to collect any additional revenue.

Mr. JONES of Missouri. Yes, I really do because we are still not paying any higher than the prices in Virginia, which is one of our competitors. I feel on that basis we are being fair in that respect.

Mr. McMILLAN. Just about 5 years ago we increased the tax 1 cent on gasoline, and we lost hundreds of thousands of dollars in revenues.

Mr. JONES of Missouri. I think the figures show a definite rise there. I think we must realize that we are a competitor with the State of Virginia. In other words, I sleep in Virginia, but I buy my gasoline here in the District of Columbia at the present time, and probably if the price is the same, I would buy it over there in Virginia. In other words the resident of the District will have no incentive to go outside the District to buy gasoline.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, in concluding debate on this legislation, I want to point out that the responsibility will shortly shift from the committee to the House of Representatives itself. I certainly respect everyone's viewpoint with reference to any piece of legislation no matter how widely I might differ from their viewpoint. But may I point out to you that we, as the body of the Congress, charged with the responsibility under the Constitution and under our form of government of legislating for the people of the District of



Columbia do have a real responsibility in this situation. I realize that to some it may seem a terrible thing to add a 1-percent tax to a grocery bill. But I think it would be pretty terrible also if the water supply of the District of Columbia became so bad that little babies got diphtheria or some other serious disease. I think it also would be a very serious thing if because of the argument as to whether you should have private liquor stores or municipal liquor stores, we should send this bill back to the committee, which would mean the defeat of the bill. I think it is highly important that all of the problems of the District be treated intelligently. Some of the gentlemen who have spoken have said that they were not pleased with all of the provisions of this bill. Let me say to you in all candor neither am I satisfied with all of the provisions of the bill, but we have had to reconcile as much as we could the differences between the joint committees of both the Senate and the House, as we did when it was returned to the District Committee. There were two small amendments before the District of Columbia Committee with which I differed with my colleagues. However, the majority of the committee felt they should be agreed to. Nevertheless, I am thoroughly in support of this legislation, because I have been here long enough to realize that all legislation is the result of compromise.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from South Carolina.

Mr. McMILLAN. I wonder if the gentleman can tell me something about this 1-cent tax on cigarettes. Does the gentleman realize that you also have a 10-cent tax on every pack of cigarettes that is sold?

Mr. O'HARA of Minnesota. Oh, I realize that, as there is on gasoline and a lot of other things.

Mr. McMILLAN. Just about twice as much as the farmer gets out of a pack of cigarettes.

Mr. O'HARA of Minnesota. Yes. I get tired every time we have a tax bill. The first four things they talk about are cigarettes, gasoline, beer, and liquor. I get tired of all that, but I cannot help feeling my responsibility as a member of the District of Columbia Committee in maintaining our Nation's Capital, both as to water and sanitation, schools, and all of the other responsibilities that are ours in passing on these problems. I do not like sales taxes. I see my friend from Ohio. I have gone through the gentleman's State for a number of years, and every time I eat a meal there I pay a good, healthy sales tax. But I do not complain about that. Twenty-two States out of 32 have a sales tax on groceries, up to 3 percent. Those States have not fallen apart on account of that.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. HAYS of Ohio. I object to a sales tax on groceries taken home for consumption. But that was not the question I wanted to ask the gentleman. I am trying to get some information. I

have heard a lot about the Federal Government's share. Can the gentleman tell me what percent of the real estate in the District is owned by the Federal Government?

Mr. O'HARA of Minnesota. Yes. The Federal Government owns 48.2 percent of the real estate.

Mr. HAYS of Ohio. Now what percent of the total cost of running this District Government is this \$20 million that some people think is too much?

Mr. O'HARA of Minnesota. I think it is about one-eighth; one-seventh or one-eighth.

Mr. HAYS of Ohio. In other words, the Federal Government owns 42 percent of the property and pays 12½ percent of the taxes?

Mr. O'HARA of Minnesota. About that. At one time it paid 50 percent, I will say to the gentleman. Then it was reduced to 40 percent, and finally it has gotten down to about 7 or 8 percent.

The CHAIRMAN. The gentleman from Minnesota has consumed 5 minutes.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself 3 additional minutes.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Maine.

Mr. HALE. One type of food that goes into the mouths of babies is milk. Is the gentleman aware whether the production of milk is taxed at any point?

Mr. O'HARA of Minnesota. It is not my understanding that it is taxed.

Mr. HALE. Is the ownership of the cows taxable?

Mr. O'HARA of Minnesota. Yes.

Mr. HALE. The ownership of land on which the cows feed and graze?

Mr. O'HARA of Minnesota. Certainly it is taxable. But I was thinking of the raw product.

Mr. HALE. Is there a quart of milk sold anywhere in the United States on which taxes are not an important element of the cost?

Mr. O'HARA of Minnesota. That is true. In other words, under this bill if a fellow owned a cow in the District of Columbia he would not be paying any personal-property tax on that cow, though.

Mr. O'HARA of Minnesota. I believe he would pay a tax on his cow.

Mr. JONES of Missouri. Another thing, I think the gentleman from Ohio may have left the wrong impression on the minds of some people about this percentage of real estate owned by the Federal Government. You do not want to imply that this total contribution of the Federal Government was just a small portion of the real estate tax, because that would be the only basis upon which you could make the comparison as suggested by the gentleman from Ohio. The Federal Government is making a generous contribution, not to mention the many services that we are giving the District and the people living therein which are not included in the Federal contribution.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield, since this seems to refer to me?

Mr. O'HARA of Minnesota. I yield.

Mr. HAYS of Ohio. The gentleman apparently defines "generosity" differently than I do. I do not think the Federal Government is very generous in its contribution.

Mr. JONES of Missouri. There is certainly a difference of opinion.

Mr. O'HARA of Minnesota. I would like to say, speaking of the Federal Government, and in conclusion, that I think the Federal Government should increase, and I feel very strongly that they should increase, their contribution.

Let me say in conclusion that I feel relieved in discharging a responsibility which has been that of the committee to you of the Congress here and the Members of this body, and I do urge you—this is good, sound legislation—to vote down the motion to recommit, and to pass this bill.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. HALLECK. I wish to commend the gentleman as chairman of the subcommittee and the chairman of the full committee, and all members of the committee who have worked so well and so efficiently in bringing this bill to the floor. I think it certainly is a good job, and I want to commend the committee for it.

Mr. O'HARA of Minnesota. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Minnesota has expired; all time for general debate has expired.

Under the rule, the bill is considered as having been read for amendment. No amendment to the bill is in order except amendments offered by direction of the Committee on the District of Columbia.

The Clerk will report the committee amendments.

The Clerk read as follows:

On page 28, line 22, preceding "(d)" strike the word "and."

On page 28, line 23, strike the period and insert the following: "; and (e) class E is amended to read 'Class E. Motor vehicles not propelled by gasoline, double the fees for similar vehicles propelled by gasoline, other than motor vehicles used for the transportation of passengers.'"

On page 32, line 3, insert a quotation mark at the beginning of line.

On page 32, line 11, strike "15,500,000" and insert "12,500,000."

On page 32, line 18, strike the word "this" and insert in lieu thereof "the preceding."

On page 37, line 8, strike "\$1.75" and insert "\$1.50."

On page 48, line 15, strike "2 cents" and insert "1 cent."

The committee amendments were agreed to.

The CHAIRMAN. Are there further committee amendments?

There being none, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Gross, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8097) to authorize the financing of a program of public-works construction for the District of Columbia, and for other purposes, pursuant to House Resolution 479, he reported the bill back

to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is considered as ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

#### CALL OF THE HOUSE

Mr. SIMPSON of Illinois. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty Members are present, not a quorum.

Mr. ARENDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 37]

|             |               |                |
|-------------|---------------|----------------|
| Albert      | Green         | Neal           |
| Battle      | Gwinn         | O'Brien, N. Y. |
| Becker      | Hand          | O'Konski       |
| Bentley     | Harrison, Va. | Osmers         |
| Bonin       | Hart          | Patman         |
| Boykin      | Heller        | Patten         |
| Bramblett   | Hess          | Patterson      |
| Brown, Ohio | Hillings      | Powell         |
| Buckley     | Holt          | Radwan         |
| Celler      | Holtzman      | Reed, N. Y.    |
| Chelf       | Howell        | Regan          |
| Chudoff     | Hunter        | Richards       |
| Clardy      | Javits        | Riehlman       |
| Colmer      | Jensen        | Rivers         |
| Condon      | Jones, Ala.   | Roberts        |
| Corbett     | Judd          | Rooney         |
| Cotton      | Kearney       | Roosevelt      |
| Coudert     | Kelley, Pa.   | Scott          |
| Delaney     | Keogh         | Shelley        |
| Dingell     | Klein         | Smith, Kans.   |
| Dodd        | Krueger       | Steed          |
| Dollinger   | Laird         | Stringfellow   |
| Donovan     | Lucas         | Taylor         |
| Dorn, N. Y. | Lyle          | Tuck           |
| Evins       | McConnell     | Velde          |
| Fine        | McCulloch     | Vinson         |
| Fino        | Mack, Wash.   | Welchel        |
| Fogarty     | Martin, Iowa  | Wharton        |
| Graham      | Mason         | Wilson, Ind.   |
| Granahan    | Morgan        | Winstead       |

The SPEAKER. On this roll call 343 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### DISTRICT OF COLUMBIA PUBLIC WORKS ACT OF 1954

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. McMILLAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman from South Carolina opposed to the bill?

Mr. McMILLAN. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. McMILLAN moves to recommit the bill H. R. 8097 to the Committee on the District of Columbia for further study on the tax problem involved.

Mr. O'HARA of Minnesota. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on a motion to recommit.

Mr. SUTTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were denied.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

#### TAX RELIEF AND TAX EVASION

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and to include 3 editorials.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Speaker, there must be a stopping point somewhere in enacting tax-relief proposals. If we spend money, we must in turn tax our people to pay for such outlays in governmental costs. To cut taxes further at this time is unwarranted. Instead, our thoughts and energies should be directed to keeping governmental expenditures in balance with receipts.

It would be a great thing if the country were in a position at this time to increase individual exemptions or to offer other forms of tax relief in addition to the recent enactments. Such action would be well received by the taxpayer.

In the last few months quite a lot of tax relief has been offered the American taxpayer. The total of this relief is \$7,300,000,000 after taking into consideration the reductions carried in the bill just passed. The first reduction was 10 percent on income taxes which relieved the taxpaying public of \$3 billion. The excess-profits-tax legislation cut down the revenue by a sizable figure. In addition, only last week the excise-tax-reduction bill trimmed, by 50 percent, taxes on jewelry, furs, luggage, cosmetics, transportation fare, theater admissions, telephone and telegraph services, as well as other items.

Solvency and the well-being of the Nation's economy was the issue when the House rejected the motion to recommit the tax bill, which motion would have removed the provision respecting double taxation of dividends and would have increased the personal exemption from \$600 to \$700. It was a tense House that rejected the recommittal motion by a close vote of 210 to 204. The minority Democratic spokesman argued that the way to bring tax relief was to increase the personal-tax exemption by \$100. The majority Members countered with the argument that the bill before the House was a tax revision bill and not a tax reduction bill. The bill, as reported from the Committee on Ways and Means, offered relief for working mothers, credit for retirement income, raised allocations for medical services, and eliminated hundreds of inequities in our present tax statutes. The bill pro-

vided savings to the individual taxpayer of some \$800 million and gave considerable relief to business. The motion to recommit had the effect of gaining \$230 million by striking out the provision in the bill dealing with dividends and would lose \$2,400,000,000 in revenue by increasing personal exemptions.

It is essential and necessary that appropriations be made for the national defense here and abroad to secure the Nation against attack. Adequate capital for Commodity Credit Corporation should be provided so that agricultural commodities may be supported. Flood-control projects, highway and other public works, as well as the cost of all phases of governmental activities, must be provided. The national debt has climbed to the unprecedented height of \$272 billion. The deficit in the current fiscal year which ends on June 30, 1954, is \$9 billion. The budget which was sent to Congress by the Chief Executive for the fiscal year commencing July 1, 1954, is expected to exceed the amount of intake by more than \$2 billion. One of the greatest problems that faces our people is to make sure that the dollar will not continue to depreciate and thereby blot out the savings that have been accumulated through the years.

I include as part of my remarks editorials appearing in the Memphis Commercial Appeal and the Memphis Press-Scimitar:

[From the Memphis Commercial Appeal of March 20, 1954]

#### GOOD SENSE WINS

Members of the House of Representatives have approved, by a narrow margin, a sensible pace in tax reduction.

The pull toward faster reductions during this election year is tremendous. Hope that a majority of voters will see inflation and higher real cost in failure to pay the cost of Government is, in a way, a vote of confidence in maturity of the public thinking.

The issue was whether the first \$600 a year of income should be exempt from Federal income tax, or the figure should be raised now to \$700. The Republican Party leadership took a stand for holding the \$600 level and only 10 Republican House Members disagreed. The Democratic Party undertook to reduce Federal Treasury income by exempting another \$100 of income from the tax, and all but 9 of the party's House members agreed. The net result was a margin of 6 for delaying this form of tax relief at least another year.

The administration proposal accepted by the House and now before the Senate limits this year's tax reductions to about 1.4 billion. It is a sizable reduction in view of the fact that inflation still is a danger, with income smaller than outgo.

It recognizes the "baby-sitter" expense of working widows, by allowing income of \$600 a year to be exempt from Federal income tax if a widow, widower or legally separated parent has that much child care expense.

It allows deductions for medical and dental expenses to begin when they reach 3 percent of income, in place of the old rule that consideration for these expenses began at 5 percent.

There is mercy for the parents of college-age children who have had to stop working when their parttime or summer earnings reach \$599, at the peril of sharply higher taxes for the parents.

There is consideration for the aged in allowing those over 65 freedom from Federal income taxes on retirement incomes up to \$1,200 a year.



There is building for the future in allowing farmers to deduct 20 percent of soil-conservation expenses.

Investment of corporation stocks is encouraged by removal of taxation on the first \$50 in dividends this year and the first \$100 next year. This clause of the proposal has reductions which become smaller as the size of the dividends mounts.

Faster depreciation of business property valuations for tax purposes is offered as encouragement to expansion of the plants that provide the Nation's industrial payrolls.

Both parties want to reduce the wartime level of taxes as quickly as possible. It is a question of how fast they can be reduced.

In the Senate the Democratic leadership still advocates allowing \$800 of this year's income to go untaxed and \$1,000 next year. They have lost the fight for a \$700 exemption in the House, but have hopes of an even higher exemption in the Senate.

The vote will be close. Public reaction to the House vote, if it reaches the Senators in time, could be decisive. We believe the public has seen enough of inflation to accept the administration's schedule for lowering taxes.

[From the Memphis Press-Scimitar of March 16, 1954]

#### PERSONAL EFFECTS OF TAX CUTS

In his tax speech to the Nation last night, President Eisenhower, as he said at the outset, was dealing with a question of personal and direct concern to all of us.

Any change in the tax rates, of course, affects everyone. But the effect is not always immediate or direct. Often the indirect, long-range effects are more potent.

This is the case with the tax-cut proposals which go before the House this week. Over and beyond the administration's own tax-reduction program, these proposals would trim everybody's income tax by raising the exemption and even would relieve millions from paying any taxes at all.

To these people, that would mean a few extra bucks in the pocket—this year.

But in the long run it would mean fewer dollars in the pocket. Because the Government would have to borrow just that much more and, sooner or later, what's borrowed has to be paid back, with interest.

There also is a short-haul, and very personal, effect of the kind of tax-cut rage which now seems to have seized Congress.

Government borrowing is inflationary. The more of it there is the more inflationary. So that an overly deep tax reduction which creates rising Government deficits actually could—and probably would—take more money out of a taxpayer's pockets than it leaves. It would take it away from him in higher prices for the things he buys.

The President's purpose, of course, in delivering last night speech was to arouse public support for his program, and thus stop the short-sighted, deficit-making tax-cut craze current in Congress. But the soundness of his speech did not make it stirring, and it is not human nature to react militantly against an offer of pie in the sky.

All the arithmetic and logic, nevertheless, are on the President's side.

[From the Memphis Press-Scimitar of March 20, 1954]

#### COUNTRY ABOVE PARTY

We are for the two-party system.

It makes democracy practical, yet helps preserve the checks and balances necessary to preserve our freedoms.

Often, conscientious Congress Members can honestly maintain that they are serving their country best by following their party line. But times come when they must take their stand on the basis of the best interests of the country and the people as a whole instead of on the basis of what seems best at the moment for the party.

We believe Representative E. C. GATHINGS, Democrat of Arkansas, met the test properly in one of these times, when he voted against the Democrat-sponsored proposal to raise income tax exemptions from \$600 to \$700.

"Such action would be inflationary," Representative GATHINGS said—meaning that the result would not be an actual tax cut, but would devalue the dollar so as actually to take away as much as it seems to give and maybe more.

President Eisenhower made another good point against increasing exemptions the other night; such increases would remove millions from the tax rolls entirely, and it is not good to have a big bloc of citizens who pay no Federal taxes. The tax burden should be shared proportionately by all able to pay. Not only is that the fair thing, but also there will be more interest in keeping government good if all citizens have a financial stake in it.

#### SPECIAL ORDER GRANTED

Mr. GATHINGS asked and was granted permission to address the House for 25 minutes on Thursday next, following the legislative business of the day and any other special orders heretofore entered.

#### JOINT COMMITTEE ON CENTRAL INTELLIGENCE

Mr. BROWNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BROWNSON. Mr. Speaker, I am introducing today a House Concurrent Resolution calling for the establishment of a Joint Committee on Central Intelligence. This resolution is identical to one introduced in the Senate on March 10 by Senator MANSFIELD and cosponsored by 20 other Senators from both parties, including Mr. BARRETT, Mr. BURKE, Mr. BUTLER of Maryland, Mr. CAPEHART, Mr. CLEMENTS, Mr. DANIEL, Mr. GEORGE, Mr. GILLETTE, Mr. HUMPHREY, Mr. JOHNSON of Colorado, Mr. JOHNSTON of South Carolina, Mr. KILGORE, Mr. LEHMAN, Mr. MAYBANK, Mr. MARTIN, Mr. MUNDT, Mr. MURRAY, Mr. NEELY, Mr. PASTORE, and Mr. FULBRIGHT.

For some time I have been aware of the problems of dealing wisely with the needs of and guidance for the Central Intelligence Agency. With our Government established on a basis of checks and balances between the executive, judicial, and legislative branches, the strong interdependence between the three renders ultimate control of policy and direction in policy matters responsive to the people. A governmental agency under the executive branch that, of necessity, operates in an area of super-secrecy as does the CIA is bound to create criticism of its operations which may often be unjustified and misunderstood.

When the CIA was established in 1947, most Americans realized that the United States was confronted with an enemy ideological and military, who would use any means to destroy our freedom. Information and intelligence on the capabilities and intentions of such an enemy became imperative, particularly in view

of the development of atomic energy. Yet, even with the clear need for some such an agency as CIA, many harbored sincere doubts as to whether such an organization had any permanent place in a democracy in peacetime.

The need for the Central Intelligence Agency is no longer questioned to any appreciable degree and I am certainly not advocating that any radical changes be made in its operation now. What I am concerned with is the position of CIA, which makes the Agency responsible to none but the National Security Council, which in turn represents the executive branch, solely.

There has been almost no congressional inspection of the CIA since its formation in 1947. It is apparent that had a clear need for a permanent intelligence coordinating operation been generally accepted in 1946, some provision for congressional participation and review within the committee structure of the Congress would have been provided by the Reorganization Act of 1946 to cover the CIA. As it is now CIA is completely relieved from practically every traditional congressional check. Control of its expenditures is exempt from many of the provisions of law that prevent financial abuses in other Government agencies. Its appropriations are hidden in allotments to other bureaus and the Bureau of the Budget does not report CIA's personnel strength to Congress. Only a handful of Members in either House see even the appropriation figures. The only review of the Agency's operation is a briefing supplied to a few members of the Appropriations Committee.

Mr. Speaker, I agree that an intelligence agency must maintain complete secrecy to be effective. If clandestine sources of information are not protected much of the efficiency of any intelligence operation is lost. Secrecy for intelligence's sake is a far different thing than secrecy for secrecy's sake. As the CIA operates today we have no way of knowing whether we have an efficient operation or not. Secrecy now veils everything it does—its cost, its successes or failures, its size, its area of operation. Attempts to get information along these lines is met with a resistance not encountered in any other field of Government operation, today.

I do not think it would hinder the operation of CIA to subject it to the same type of intelligently administered congressional supervision that exists for the Atomic Energy Commission. The AEC is certainly operating in a field that requires, and rightly so, the highest degree of secrecy and it is not subject to the abuses of unwarranted attacks or premature disclosures of classified information by uncoordinated investigations by a number of congressional committees that could conceivably have an interest in its operations. The establishment of the Joint Committee on Atomic Energy has functioned extremely well in this similar area and has not only aided the Atomic Energy program but by its very existence has protected the secrecy under which the AEC operates while still safeguarding the interests of the Congress and the taxpayers.

The resolution I am introducing would provide for a joint committee composed of 5 Members of the House appointed by the Speaker and 5 Members of the Senate appointed by the President of the Senate. In both Houses not more than 3 Members would be of the same party. The committee would function in the same manner and under the same general rules of procedure that govern the Joint Committee on Atomic Energy.

Mr. Speaker, it is my sincere opinion that this committee is of extreme importance and should be established as soon as possible.

#### Senate Concurrent Resolution 69

*Resolved by the Senate (the House of Representatives concurring).* That there is hereby established a Joint Committee on Central Intelligence to be composed of 5 Members of the Senate to be appointed by the President of the Senate and 5 Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. In each instance not more than three members shall be members of the same political party.

SEC. 2. The joint committee shall make continuing studies of the activities of the Central Intelligence Agency and of problems relating to the gathering of intelligence affecting the national security and of its coordination and utilization by the various departments, agencies, and instrumentalities of the Government. The Central Intelligence Agency shall keep the joint committee fully and currently informed with respect to its activities. All bills, resolutions, and other matters in the Senate or the House of Representatives relating primarily to the Central Intelligence Agency shall be referred to the joint committee.

The members of the joint committee who are Members of the Senate shall from time to time report to the Senate, and the members of the joint committee who are Members of the House of Representatives shall from time to time report to the House, by bill or otherwise, their recommendations with respect to matters within the jurisdiction of their respective Houses which are (1) referred to the joint committee or (2) otherwise within the jurisdiction of the joint committee.

SEC. 3. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

SEC. 4. The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such places and times, to require, by subpoena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

SEC. 5. The joint committee is empowered to appoint such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable. The committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government.

SEC. 6. The expenses of the joint committee, which shall not exceed \$ per year, shall be paid one-half from the contingent fund of the Senate and one-half from the

contingent fund of the House of Representatives upon vouchers signed by the chairman. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of the disbursements so made.

#### GIVE GOVERNMENT FOOD TO AMERICA'S NEEDY

The SPEAKER. Under previous order of the House the gentleman from Oregon [Mr. ANGELL] is recognized for 20 minutes.

Mr. ANGELL. Mr. Speaker, I introduced H. R. 8351 on March 11, 1954,

*U. S. Department of Agriculture, Commodity Credit Corporation—Report of price support commodities as of Mar. 10, 1954, based on records and known commitments in CCC commodity divisions and offices*

| Commodity                     | Unit of measure       | Estimated stocks in merchandising position <sup>1</sup> | Estimated total stocks <sup>2</sup> |                       |                        |
|-------------------------------|-----------------------|---|-------------------------------------|-----------------------|------------------------|
|                               |                       |   | Quantity                            | Approximate unit cost | Total cost (thousands) |
| Cotton:                       |                       |   |                                     |                       |                        |
| Upland.....                   | Bale.....             | 235,400   | 235,400                             | \$142.74              | \$33,601               |
| Linters.....                  | do.....               | 828,326   | 1,062,964                           | 57.98                 | 61,631                 |
| Dairy:                        |                       |   |                                     |                       |                        |
| Butter.....                   | Pound.....            | 251,261,000   | 301,446,000                         | .6728                 | 202,813                |
| Cheese.....                   | do.....               | 235,429,000   | 312,802,000                         | .4059                 | 126,966                |
| Milk, dried.....              | do.....               | 381,808,000   | 522,128,000                         | .1673                 | 87,352                 |
| Grains and seeds:             |                       |   |                                     |                       |                        |
| Barley.....                   | Bushel.....           | 432,000   | 455,000                             | 1.43                  | 651                    |
| Beans, dry edible.....        | Hundredweight.....    | 548,000   | 549,000                             | 11.76                 | 6,456                  |
| Corn.....                     | Bushel.....           | 420,269,000   | 439,155,000                         | 1.64                  | 720,214                |
| Flaxseed.....                 | do.....               | 185,000   | 226,000                             | 4.11                  | 929                    |
| Grain sorghum.....            | Hundredweight.....    | 9,000   | 25,000                              | 2.56                  | 64                     |
| Rye.....                      | Bushel.....           | 144,000   | 145,000                             | 1.70                  | 247                    |
| Seeds, hay and pasture.....   | Pound.....            | 76,447,000  | 78,078,000                          | .4735                 | 36,969                 |
| Seeds, winter cover crop..... | do.....               | 27,212,000  | 34,322,000                          | .0887                 | 3,044                  |
| Soybeans.....                 | Bushel.....           | None  | None                                |                       |                        |
| Wheat.....                    | do.....               | 414,693,000   | 427,631,000                         | 2.63                  | 1,124,670              |
| Naval stores:                 |                       |   |                                     |                       |                        |
| Rosin.....                    | 517-pound drum.....   | 602,446   | 602,446                             | 38.75                 | 23,345                 |
| Turpentine.....               | 50-gallon barrel..... | 43,565  | 43,565                              | 26.52                 | 1,155                  |
| Oils and peanuts:             |                       |   |                                     |                       |                        |
| Cottonseed oil, crude.....    | Pound.....            | 18,660,000  | 18,660,000                          | .1265                 | 2,360                  |
| Cottonseed oil, refined.....  | do.....               | 865,281,000   | 997,190,000                         | .1819                 | 181,390                |
| Linseed oil.....              | do.....               | 84,724,000  | 129,242,000                         | .2058                 | 26,598                 |
| Olive oil.....                | Gallon.....           | 62,791  | 551,242                             | 2.53                  | 1,395                  |
| Peanuts, farmers' stock.....  | Ton.....              | 8,806   | 8,806                               | 220.29                | 1,940                  |
| Tung oil.....                 | Pound.....            | 4,586,000   | 5,737,000                           | .2857                 | 1,524                  |
| Tobacco.....                  | do.....               | 4,183,000   | 4,183,000                           | .2830                 | 1,184                  |
| Wool:                         |                       |   |                                     |                       |                        |
| Pulled.....                   | do.....               | 6,283,000   | 6,283,000                           | 1.20                  | 7,540                  |
| Shorn.....                    | do.....               | 85,204,000  | 85,204,000                          | .6237                 | 53,142                 |
| Total.....                    |                       |   |                                     |                       | 2,707,180              |

<sup>1</sup> Estimated CCC stocks which are in store and not committed for sale or movement.

<sup>2</sup> Estimated total stocks owned by CCC, including stocks shown in col. 1, plus commitments to purchase less commitments to sell.

were destroyed. We all recall when huge quantities of potatoes were saturated with gasoline rendering them unfit for human consumption.

The following report shows huge surpluses now held by the Federal Government as of March 10, 1954:

It will be noted in dairy commodities alone, the Federal Government has in stock or purchases uncommitted butter, 301,446,000 pounds; cheese 312,802,000 pounds and milk 522,128,000 pounds. Why should not our needy citizens be permitted to receive a fair distribution of these foods so much needed by them and which otherwise they are unable to obtain?

There are millions of worthy citizens in the United States in the groups which this bill seeks to help who are living on a meager income and in many cases insufficient to meet their minimum needs

which has for its purpose to provide supplemental benefits for individuals receiving aid under the programs of old-age assistance, aid to dependent children, aid to the blind, and aid to the totally and permanently disabled as provided under the Social Security Act. A similar bill, S. 3092, was introduced in the Senate and was sponsored by a large number of Senators.

I have always felt that it is ill-advised to have permitted immense quantities of foods and other staples essential for the welfare of our citizens to accumulate and in many instances to deteriorate or spoil, rendering them worthless for human use. Indeed in many instances under previous administrations large quantities of food

for health and comfort. It seems indefensible that this Government with its outstanding productive facilities and capacity should permit these worthy citizens to be in want for the very surplus products they need and which are held in storage by the Federal Government. The enormous storage bill alone on these products is staggering, averaging approximately \$15 million a month.

Under the provisions of this bill increased domestic consumption of agricultural food products is provided by establishing a program whereby the monthly benefit payments of such individuals will be supplemented by the issuance of certificates which may be transferred to retail food products dealers in exchange for surplus agricultural food products, at prevailing market prices.



Under the provisions of the bill the Secretary of Agriculture would have authority to determine each month the agricultural commodities held by the Government which could be released to satisfy domestic demands without depressing the market price. Individuals receiving assistance for monthly benefits would be entitled to receive as a supplemental benefit each month, in addition to those they would already receive, \$10 in face amount of surplus food certificates to be applied by the respective individuals toward purchase price of the agricultural surplus food products.

It is clear that such a program increasing domestic consumption of surplus agricultural food products would solve the problem now facing the Government with these huge surpluses piling up from day to day, and would most importantly, provide the necessities of life to these large groups of worthy citizens who are in need. These low income groups, most of whom are depending on public benefits, find themselves in an economic squeeze between the continued high cost of living and the lack of funds with which to meet their meager requirements.

I most sincerely hope that this bill or legislation of a similar type will be enacted by this Congress in order not only to solve the problem of the disposition of the enormous surpluses piling up under the Commodity Credit support program but to relieve the hardship and suffering of millions of needy citizens.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SCOTT (at the request of Mr. ARENDS), for today, on account of official business.

Mr. NEAL (at the request of Mr. CANFIELD), for today and tomorrow, March 22 and 23, on account of death in family.

#### EXTENSION OF REMARKS

By unanimous consent permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. HOSMER.

Mr. CURTIS of Missouri.

Mr. RODINO (at the request of Mr. LANE).

Mr. BURDICK.

Mr. HOFFMAN of Michigan.

Mr. BARRETT.

Mr. WILLIS and to include extraneous matter.

Mr. GENTRY.

Mr. BENDER in three instances.

Mr. WESTLAND.

Mr. SHAFER.

Mr. MULTER.

#### SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 70. Concurrent resolution favoring the designation and observance of March 7 of each year as Friendship Day; to the Committee on the Judiciary.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 179. An act for the relief of Insun Lee;

S. 214. An act for the relief of Geraldine B. Mathews and Ruth H. Haller;

S. 1548. An act to provide for the exchange between the United States and the Commonwealth of Puerto Rico of certain lands and interests in lands in Puerto Rico;

S. 2108. An act for the relief of Lieselotte Sommer; and

S. 2151. An act for the relief of Mrs. Ala Olejcek (nee Holubowa).

#### ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 25 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 23, 1954, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1373. A letter from the Assistant Secretary of Defense, transmitting a report on contracts negotiated for research and development projects, and industrial mobilization type projects, pursuant to sections 2 (c) (11) and 2 (c) (16) of Public Law 413, 80th Congress; to the Committee on Armed Services.

1374. A letter from the Secretary of the Air Force, transmitting a draft of legislation entitled "A bill to repeal certain laws relating to professional examinations for promotion of medical, dental, and veterinary officers of the Army and Air Force;" to the Committee on Armed Services.

1375. A letter from the Assistant Secretary of the Interior, transmitting two proposed awards of concession permits to Robert Esslinger and Maxine Lambert which will, when approved by the regional director, region 1, National Park Service, authorize the sale of firewood at camp grounds in Great Smoky Mountains National Park, Tenn., for the period April 15, 1954, to October 31, 1954; to the Committee on Interior and Insular Affairs.

1376. A letter from the Assistant Secretary of the Interior, transmitting one copy each of certain bills passed by the Legislative Assembly of the Virgin Islands and the Municipal Council of St. Croix, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States approved June 22, 1936; to the Committee on Interior and Insular Affairs.

1377. A letter from the Assistant Secretary of the Interior, transmitting a copy of a law enacted by the Second Guam Legislature, pursuant to section 19 of Public Law 630, 81st Congress, the Organic Act of Guam; to the Committee on Interior and Insular Affairs.

1378. A letter from the Assistant Secretary of the Navy for Air, transmitting the third semiannual report of contracts, in excess of \$50,000, for research, development and experimental purposes awarded by the Department of the Navy, for the period July 1 through December 31, 1953, pursuant to section 4 of Public Law 557, 82d Congress; to the Committee on Armed Services.

1379. A letter from the Secretary of State, transmitting the 12th semiannual report of the international educational exchange program of the Department of State, for the

period July 1 to December 31, 1953, pursuant to section 1008 of Public Law 402, 80th Congress; to the Committee on Foreign Affairs.

1380. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to amend section 1 (d) of the Helium Act (50 U. S. C., sec. 161 (d)) and to repeal section 3 (13) of the act entitled 'An act to amend or repeal certain Government property laws, and for other purposes,' approved October 31, 1951 (65 Stat. 701)"; to the Committee on Government Operations.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of March 18, 1954, the following bill was reported on March 19, 1954:

Mr. TABER: Committee on Appropriations. H. R. 8481. A bill making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes; without amendment (Rept. No. 1372). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROWN of Ohio: Committee on Rules. House Resolution 479. A resolution for consideration of H. R. 8097, a bill to authorize the financing of a program of public works construction for the District of Columbia, and for other purposes; without amendment (Rept. No. 1373). Referred to the House Calendar.

Mr. BROWN of Ohio: Committee on Rules. House Resolution 480. A resolution for consideration of H. R. 8152, a bill to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes; without amendment (Rept. No. 1374). Referred to the House Calendar.

[Submitted March 22, 1954]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DONDERO: Committee on Public Works. House Concurrent Resolution 214. Concurrent resolution expressing the sense of Congress that the Sanitary Engineering Center, Cincinnati, Ohio, should be known as the "Robert A. Taft Sanitary Engineering Center"; without amendment (Rept. No. 1377). Referred to the House Calendar.

Mr. HOPE: Committee on Agriculture. H. R. 6711. A bill to further amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to make a bulk purchase of certain remaining assets of the Federal Farm Mortgage Corporation; without amendment (Rept. No. 1378). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on Interstate and Foreign Commerce. H. R. 7380. A bill to authorize the Secretary of Commerce to reconvey certain property which the city of Boulder, Colo., donated to the Secretary of Commerce for the establishment of a radio propagation laboratory; without amendment (Rept. No. 1379). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of Illinois: Committee on the Judiciary. S. 24. An act to permit review of decisions of Government contracting officers involving questions of fact arising under Government contracts in cases other than those in which fraud is alleged, and for other purposes; with amendment (Rept. No. 1380). Referred to the Committee of the Whole House on the State of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 2009. A bill to authorize the sale of certain land in Alaska to the Niniichik Hospital Association, of Niniichik, Alaska, for use as a hospital site and related purposes; with amendment (Rept. No. 1375). Referred to the Committee of the Whole House.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 2016. A bill to authorize the Secretary of the Interior to sell certain land to the Board of National Missions of the Presbyterian Church in the United States of America; with amendment (Rept. No. 1376). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of March 18, 1954, the following bill was introduced on March 19, 1954:

By Mr. TABER:

H. R. 8491. A bill making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes; to the Committee on Appropriations.

[Introduced and referred March 22, 1954]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES:

H. R. 8482. A bill to increase the amount of guaranty by the Veterans' Administration on certain home loans made pursuant to the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Veterans' Affairs.

By Mr. CARRIGG:

H. R. 8483. A bill to make affiliation with the Communist Party of the United States unlawful; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 8484. A bill to amend the Tariff Act of 1930 to insure that crude silicon carbide imported into the United States will continue to be exempt from duty; to the Committee on Ways and Means.

By Mr. EDMONDSON:

H. R. 8485. A bill to increase the amount of guaranty by the Veterans' Administration on certain home loans made pursuant to the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Veterans' Affairs.

H. R. 8486. A bill to amend section 502 of the Servicemen's Readjustment Act of 1944, so as to increase the maximum amount in which farm realty loans may be guaranteed thereunder; to the Committee on Veterans' Affairs.

By Mr. GUBSER:

H. R. 8487. A bill to amend the act of June 19, 1948, to provide for censuses of manufactures, mineral industries, and other businesses, relating to the year 1954; to the Committee on Post Office and Civil Service.

By Mr. HOSMER:

H. R. 8488. A bill to restore eligibility of certain citizens or subjects of Germany or Japan to receive benefits under veterans' laws; to the Committee on Veterans' Affairs.

By Mr. MILLER of Maryland:

H. R. 8489. A bill to accelerate consideration by the courts of criminal proceedings involving treason, espionage, sabotage, sedition, and subversive activities, and to increase to 15 years the statute of limitations applicable to such offenses; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. R. 8490. A bill to appropriate money for the construction of the Calumet-Sag Channel, Ill., and for other purposes; to the Committee on Appropriations.

By Mr. OSTERTAG:

H. R. 8491. A bill to amend the Social Security Act to provide increased old-age insurance benefits upon retirement for individuals who continue in covered employment beyond retirement age, and to reduce from 75 to 70 the age beyond which deductions will not be made from benefits on account of outside earnings; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H. R. 8492. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide that transfers of real property from certain Government corporations to other Government agencies shall not operate to remove such real property from local tax rolls; to the Committee on Government Operations.

By Mr. WESTLAND:

H. R. 8493. A bill to provide an adequate, balanced, and orderly flow of milk and dairy products in interstate and foreign commerce; to stabilize prices of milk and dairy products; to impose a stabilization fee on the marketing of milk and butterfat, and for other purposes; to the Committee on Agriculture.

By Mr. YORTY:

H. R. 8494. A bill to amend the Fair Labor Standards Act of 1938, as amended, and for other purposes; to the Committee on Education and Labor.

By Mr. COOLEY:

H. R. 8495. A bill to promote the agriculture of the United States by acquiring and diffusing useful information regarding agriculture in foreign countries and the marketing of American agricultural commodities, and the products thereof, outside of the United States; to authorize the creation of an Agricultural Foreign Service in the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. CURTIS of Missouri:

H. R. 8496. A bill to amend H. R. 8300, an act to revise the internal revenue laws of the United States; to the Committee on Ways and Means.

By Mr. HINSHAW:

H. R. 8497. A bill to facilitate the entry of certain nationals on a reciprocal basis in the interest of trade and commerce; to the Committee on the Judiciary.

By Mr. PHILLIPS:

H. R. 8498. A bill authorizing construction of works to reestablish for the Palo Verde Irrigation District, California, a means of diversion of its irrigation water supply from the Colorado River, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WILLIAMS of New Jersey:

H. R. 8499. A bill to amend and revise the laws relating to immigration, naturalization, nationality, and citizenship, and for other purposes; to the Committee on the Judiciary.

By Mr. KEARNEY:

H. J. Res. 477. Joint resolution placing individuals who served in the temporary forces of the United States Navy during the Spanish-American War in the same status as those individuals who served in the Army for equal periods of time during that war and who were given furloughs or leaves upon being mustered out of the service; to the Committee on Veterans' Affairs.

By Mr. BOSCH:

H. J. Res. 478. Joint resolution directing the Civil Aeronautics Board and the Federal Air Coordinating Committee of the Department of Commerce to carefully investigate the so-called Rome convention limiting payment arising out of ground accidents caused by overseas air commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWNSON:

H. Con. Res. 217. Concurrent resolution establishing a Joint Committee on Central Intelligence; to the Committee on Rules.

By Mr. CURTIS of Massachusetts:

H. Con. Res. 218. Concurrent resolution favoring the waiver of State residence requirements in elections of Federal officials; to the Committee on House Administration.

By Mr. SHAFER:

H. Con. Res. 219. Concurrent resolution expressing the sense of the Congress as to use of funds appropriated by the Congress for rehabilitation of the Republic of Korea for the encouragement of private enterprise in said Republic of Korea; to the Committee on Foreign Affairs.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred, as follows:

By the SPEAKER: Memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States relative to the establishment of an Air Force Academy in Arizona; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States relative to their senate concurrent resolution No. 21, requesting the Air Force of the United States to establish a national Air Academy at Fort Custer and to utilize the facilities of the Percy Jones Army Hospital; to the Committee on Armed Services.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. BENDER:

H. R. 8500. A bill for the relief of Bruno D. Corasaniti; to the Committee on the Judiciary.

By Mr. FORRESTER:

H. R. 8501. A bill to provide for the conveyance of certain land in Sumter County, Ga., to the Americus and Sumter County Chamber of Commerce; to the Committee on Government Operations.

H. R. 8502. A bill to authorize the advancement on the retired list of Lt. Vincent P. McCauley to the grade of captain; to the Committee on Armed Services.

By Mr. KERSTEN of Wisconsin:

H. R. 8503. A bill for the relief of Nicholas M. Papadopoulos; to the Committee on the Judiciary.

By Mr. MACK of Washington:

H. R. 8504. A bill for the relief of Mira Domenika Grgurinovich; to the Committee on the Judiciary.

By Mr. MASON:

H. R. 8505. A bill for the relief of Josephine Bianconi; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 8506. A bill for the relief of Paul E. Sevigny; to the Committee on the Judiciary.

By Mr. PRESTON:

H. R. 8507. A bill for the relief of Akiko Roberta Nishimura; to the Committee on the Judiciary.

H. R. 8508. A bill for the relief of Columbus C. Collins; to the Committee on the Judiciary.

By Mr. SCHENCK:

H. R. 8509. A bill for the relief of Miriam Shrek Reid; to the Committee on the Judiciary.

By Mr. SHORT:

H. R. 8510. A bill for the relief of Andrew Wing-Huen Tsang; to the Committee on the Judiciary.

H. R. 8511. A bill for the relief of Kim Dong Ho; to the Committee on the Judiciary.



By Mr. SIKES:

H. R. 8512. A bill for the relief of Isaac David Cosson; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

572. By Mr. GOODWIN: Resolution of the members of the Somerville Board of Aldermen, Somerville, Mass., recording themselves as favoring the right to vote for 18-year-olds

in State and Nation, etc.; to the Committee on the Judiciary.

573. By Mr. GROSS: Petition of Mrs. Mabel Mosteller and others, Clemons, Iowa, requesting passage of H. R. 1227, to prohibit the transportation in interstate commerce of alcoholic beverage advertising in newspapers, periodicals, etc., and its broadcasting over radio and television; to the Committee on Interstate and Foreign Commerce.

574. By Mr. SMITH of Wisconsin: Resolutions adopted at a recent conference of eastern Wisconsin taxpayer associations held in Oshkosh under sponsorship of the Taxpayers

Association of Oshkosh, regarding the Federal budget and highway aid; to the Committee on Public Works.

575. Also, resolution passed by the directors of the Racine Taxpayers Association urging that the Federal debt limit remain at \$275 billion and not be raised to \$290 billion; to the Committee on Ways and Means.

576. By the SPEAKER: Petition of Buddy Hays and others, Orlando, Fla., requesting passage of H. R. 2446 and H. R. 2447, proposed social-security legislation known as the Townsend plan; to the Committee on Ways and Means.

## EXTENSIONS OF REMARKS

### The Dairymen's Self-Help Plan

#### EXTENSION OF REMARKS

OF

### HON. JACK WESTLAND

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1954

Mr. WESTLAND. Mr. Speaker, I have today introduced for appropriate reference a bill to provide an adequate, balanced, and orderly flow of dairy products in domestic and foreign commerce; to stabilize production and the farm price of milk and dairy products; to impose a stabilization fee on the marketing of milk and butterfat; to provide adequate administration; and for other purposes (H. R. 8493).

I desire to address myself briefly in support of this proposed legislation.

My bill is identical with one that was introduced on March 18 before the Senate of this Congress by the distinguished senior Senator from the State of South Dakota, Mr. MUNDT.

It is known as the self-help proposal of the National Milk Producers Federation and was explained last week in hearings before the agriculture committees of this House and Senate by Russell S. Waltz, president of the National Milk Producers Federation. In his testimony he made it clear that this is a proposal whereby the more than 2,000,000 farmers who make all or part of their income producing milk submit a program under which they will manage, control, and administer their own production stabilization and price-support operation and finance any costs through self-imposed assessments upon their milk or butterfat earnings.

Such an objective requires this Congress to consider carefully this proposed legislation. If we can assist as major a segment of the Nation's agriculture as the dairy farmer—he represents the largest single segment of farming and 20 percent of the total farm income—in getting a self-help program, we will have taken the Government out of the dairy business, a most desired objective.

This bill provides for a 15-member Dairy Stabilization Board to be appointed by the President of the United States from a list of 45 candidates elected by ballot from among the Nation's dairy farmers. The Board would be represent-

ative of 15 districts to reflect the pattern and interests of dairy production.

The Board, using statistics presently available, would have the power to set a minimum level for farm prices for a coming marketing year and maintain it through self-imposed assessments from the farmer's own milk or butterfat returns. In its support operation, the Board would have the power to purchase such supplies of processed dairy products as are necessary to maintain the farm price level. It would have no power to interfere with the operation of a free market nor set prices at retail levels and would be required to dispose of any holdings in such a manner as not to upset normal marketing.

We have ample precedent for such legislation in existing milk marketing orders and other commodity marketing agreements, both National and State. There is no power intended for the Dairy Stabilization Board under this bill that is not already being used by the Commodity Credit Corporation in its support operations. But it is intended that this Board, because of its close contact with the industry, would be more flexible in its utilization operations. For example, it could dispose of overproduction overseas without all the formalities that now seem insurmountable in the present CCC operation. The ability to dispose of stocks would be a great encouragement to the industry to maintain proper inventories, something which is not now true under the CCC operation in which we have the Government carrying the entire dairy inventory of the Nation.

The Board, under this bill, would have the power to push the sale of dairy products by advertising, marketing research, and education through the use of any funds not needed for price support operation.

Government entry into this operation would be only at such times as the Government was responsible for dairy imports or increased production due to use of acres diverted to dairy production as a result of support operations upon other commodities. Dairy products created as a result of either of these conditions would have to be purchased by the CCC.

Under the provisions of this bill the capital necessary to launch this self-help program would be obtained by authority to borrow up to \$500 million from the CCC or private investors. This money would be a loan and would be re-

payable at interest rates comparable to going rates for Government funds at the time of the borrowing. Assessments would be set at levels necessary to discharge the capital and interest obligations incurred by the Board.

I want to point out that there is plenty of precedent for such a financial transaction between the farmers and their Government and that the record of farmer repayment of such obligations is excellent. I cite the cases of the Production Credit Associations, the Rural Electric Cooperatives, the Bank for Cooperatives as a few examples. The farmers' record in the field of private credit is equally good. Rural banks have existed for years on long- and short-term farmer paper and many of our largest financial institutions are heavy investors in agriculture because of the excellent credit risk represented.

In conclusion, I desire to emphasize again that this bill represents a move on the part of our largest segment of agriculture to obtain, finance, and direct its own price support and production stabilization program. This is an objective within the American concept of free enterprise and individual determination of economic welfare.

### The American Taxpayer Has Made Great Sacrifices in Aiding Foreign Nations

#### EXTENSION OF REMARKS

OF

### HON. BRADY GENTRY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1954

Mr. GENTRY. Mr. Speaker, the people of the United States, numbering less than 7 percent of the world's population, have been carrying the burden of supporting most of the world. In the 8 years since 1945, Congress has given outright to other nations more than it cost to operate our country in the 143-year period from 1775 to November 11, 1918, the close of World War I.

This period, covering all but 35 years of our Nation's history, included the administrations of 28 of our 34 Presidents. It started with Washington, the Father of our Country, and ended with Woodrow Wilson, one of our greatest